MARKETING OF CHILLIES AND TOBACCO A COMPARATIVE STUDY OF REGULATED AND UNREGULATED MARKETS IN NIPPANI REGION OF KARNATAKA

THE THESIS SUBMITTED TO THE
KANNADA UNIVERSITY, HAMPI
FOR THE AWARD OF THE DREGREE OF

Doctor of Philosophy

In
ECONOMICS

By

Arun D. Kulkarni

Associate P
rofessor Department of Economics
Smt A A Patil College of Arts and Commerce for Women
Chikodi

Research Guide

PROF. VINOD. B. ANNIGERI
Professor

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Ambedhakar Nagar, Y S.Shetter Colony Dharwad

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JULY-2012

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DECLARATION

I do hereby solemnly that this research work of mine titled **"Marketing of Chillies and Tobacco, a Comparative Study of Regulated and Unregulated Markets in Nippani Region of Karnataka"**, carried out under the supervision of Prof. Vinod B. Annigeri Prof. Centre for multi-Disciplinary Development Research Centre,(CMDR), Dharwad, being presented as a thesis for the award of the degree of Doctor of Philosophy in Economics to the Kannada University, Hampi, is original and the same has not been submitted either in the part or in full for the award of any other degree of any other University.

Date : 20-7-2012

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DECLARATION

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CERTIFICATE

This is to certify that the thesis titled "**Marketing of Chillies and Tobacco, a Comparative Study of Regulated and Unregulated Markets in Nippani Region of Karnataka",** is a bonafide research work carried out by Mr. Arun D Kulkarni independently under my guidance and supervision. I also certify that this has not been previously submitted for the award of any degree, diploma, associateship or other similar title.

(Dr. V B Annigeri)
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Date: 20/7/2012

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CHAPTER – I

INTRODUCTION

1.1 The Problem:

In this chapter an attempt is made to study the avenues of research along with the introduction. The plan of presentation is as noted below.

1.1 The problem
1.2 Significance of the Study
1.3 Objectives of the Study
1.4 Methodology of the Study
1.5 Coverage of the study
1.6 Data base
1.7 Data sources
1.8 Details of sampling design for tobacco and chillies
1.9 Data analysis
1.10 Lay out of the study

Agriculture has been the backbone of the Indian economy for long period of time. Prior to independence the agricultural economy functioned as a subsistence economy and there was very little for the farmers to sell out of their produce. The hitherto institutional arrangements of land holdings like Zamindari, Ryotwari and Mahalvari systems did hamper the growth of agriculture in the India context. Absentee landlordism and backward technology added fuel to fire as far as the development of the agriculture is concerned.

However after the independence and the introduction of the five year plans, the things started changing slowly and steadily. The institutional arrangement of land holdings underwent a drastic change and tillers became the owners of the land. There were attempts to modernize agriculture and great impetus came from the Green Revolution program which was instrumental in changing the nature of agricultural operations. At least in few pockets of the

country, the agriculture became a commercial proposition and the food and non food production picked up to serve the teaming millions. Green revolution opened new gates of modernization, which helped India to withstand the crisis in the supply of food grains. Green revolution made India self sufficient with the application of new technology use of improved seeds new machines, chemical fertilizers irrigation, better techniques, water management, plant protection etc. food grain production increased from 51million tons in 1951 to 100million tons in 1966-69.further it increased to 216.1million tons in2006-07.

In the background of the improvements in the pre harvest inputs and technology the marketable surplus of the farmers also increased. However one can note that the post harvest activities of the farmers like marketing of the produce, storage of the produce and the like did not receive the required impetus. In this context the farmers started facing the heat on account of malpractices of the middlemen who were part of the chain of the marketing. The problems got aggravated on account of traders and commission agents who took undue advantage of perishable and seasonal nature of agricultural production, ungraded products and lack of organization among farmers.

Producers have suffered in the process, partly because of their ignorance about the methods of marketing and partly because of peculiar structure of marketing over which they had little control.

Agricultural marketing plays an important role in the economy because it not only activates the economy but also acts as a catalyst to raise it from the dormant level. It facilitates the maximum use of production capacity where various facets of the economy are integrated. It starts with the production process of agricultural commodity including the market system through which the goods move from the producers to the consumer.

Agricultural sector needs efficient marketing system, which would result in the growth of agriculture, increased employment opportunities and achieve economic development. Improvement in the marketing of agricultural commodities has assumed greater importance in the recent years, for the

producer disposal of his goods has become as important as the adoption of modern farm practices for improving yield of agriculture.

This is possible only with the improvement in the marketing system. Unless marketing improves, no incentives to increase production will attract the cultivators. Only better returns, stable prices and attractive terms of trade will induce the cultivators to produce more and market an increasing proportion of what they produce. * 1 appropriate growth of market structure appears to be crucial in this context. 2.

Transport, ware housing, timely credit supply, market intelligence, weights and measures and standardization and grading in too would play an impotent role in improving the market structure and economic status of the cultivators.3.

1.2 Significance of the Study:

Tobacco growers at present are mostly in the hands of unscrupulous middlemen, who serve as a link between the producer and the consumer. This has an adverse effect on the prices received by the cultivators. These middle men dominate the market and exploit the producer. The profits intercepted by these men, compared to the services rendered by them, are outrageously high. It is generally observed that the tobacco growers do not get remunerative prices for their produce. This is more so in a scenario where the tobacco is marketed in an unregulated framework. Since the net price received by the producer has vital importance on his desire to grow tobacco, the objective of improving any, marketing system should aim at reducing the price between the producer and the consumer on the one hand and improving the quality of services to the producers-sellers and consumers on the other. 4

1.3 Objectives of the Study:

- To compare Tobacco visa vis Chilli marketing practices adopted by farmers
- To analyze the advantages and disadvantages in Chilli and Bidi Tobacco marketing system.

- To sketch the institutional framework for marketing of Beedi tobacco and chilies
- To evaluate the strength and weekness in the existing marketing system of Tobacco and Chillies.
- To suggest ways and means of regulating Beedi tobacco marketing in Nippani region of chikodi taluka in Karnataka state.

1.4 Methodology of the Study:

The study is based on both the primary and secondary data. Sample survey method will be used for collection of data on production and marketing of beedi tobacco and chilies

1.5 Coverage of the Study:

In Karnataka the main commercial crops grown are cotton, tobacco, ground nuts, chillies etc, Tobacco is a major commercial rain fed crop, and irrigation is used only in the later stage of the crop that too only by the big farmers. In Karnataka two types of tobacco are grown namely FCV tobacco and beedi tobacco. FCV tobacco is grown mainly in Mysore area, where as in the study area of Nippani only beedi tobacco is grown. Therefore the study limits itself to the production of beedi tobacco in this regard.

The study takes up tobacco in the Nippani region due to the fact that unlike the FCV variety, the Beedi tobacco in a unregulated in nature and suffers from a variety of problems for the producers. Tobacco also happens to a major crop in India with Andhra Pradesh, Gujarat and Karnataka accounting for about 70 per cent of the production. In Karnataka Beedi tobacco occupies 30 per cent of the total production which in next to Andhra Pradesh and Gujarat. It also provides employment of 38 million people and out of this more than 70 per cent are agricultural laborers, rural poor, women and tribal people. The revenue to the exchequer also seems to be quite significant.

FCV tobacco enjoys the facilities of regulated market, but the **bidi tobacco marketing is un regulated**, hence the study concentrates on Belgaum

dist where beedi tobacco is grown. This district is the **third largest district growing tobacco and chillies.** Thus, taking these factors into account the researcher has selected Belgaum district for the study.

1.6 Data Base:

The study largely depends on the survey of HHs growing tobacco and chilly as indicated above. Along with this primary data, efforts would be made to elicit information from various stake holders in the domain of tobacco and chilly marketing like, traders, other middlemen, official marketing channels and the like.

1.7 Data Sources:

Various secondary sources would be used to collect the relevant data for realizing the objectives of the study. Following are some of the sources that would be used as part of the study.

1. Various Publications of government of India, ministry of agriculture, ministry of commerce.
2. central and State levels statistics organizations
3. Reports of Agriculture ministry
4. Publications by C.M.D.R. and others
5. Various publications of Department of Health Government of India
6. Tobacco Boards reports
7. Records of the Office District Commissioners office Belgaum in Karnataka State
8. Departments of Economics and Statistics, Government of Karnataka
9. Various studies done by individual researchers and
10. Tobacco.com and others

1.8 Details of sample frame :

In the Belgaum district Nippani area of chikodi taluka is chosen purposely because Nippani area produces the **best quality** of bidi tobacco and the production and manufacturing of **beedis is concentrated** in this area. It

stands first so far as area under tobacco cultivation in the Belgaum district is concerned. And **stands third** so far as area under chillies is concerned

In the following table tobacco and chilly grown in the district of Belgaum is given which would highlight the position of the chosen taluka.

Table 1.1

Production of tobacco and chillies in Belgaum Dist in2005-06 (in Tonnes)

Sl.no	Taluka	Tobacco Area in hectare	% To total	Chilies Area in hectare	% To total
1	Athani	125	0.60	73	1.00
2	Bailahongal	77	0.37	843	11.62
3	Belgaum	5	0.02	2525	34.80
4	Chikodi	14638	70.69	950	13.11
5	Gokak	1520	7.34	200	2.75
6	Hukkeri	4310	20.82	315	4.34
7	Khanapur	0	------	1841	25.37
8	Raibag	23	0.11	44	0.60
9	Ramadurg	0	-----	50	0.68
10	Savadatti	9	0.04	413	5.69
	Total	**207,07**	**100.00**	**7254**	**100.00**

Source: District at Glance, DSO, Belgaum

From the above table one can note that about 70 per cent of the tobacco is grown in the Chikkodi taluka and hence forms the rationale for the selection of the study region.

In the next stage of sample selection, the villages were selected based on again the size of area devoted to tobacco. The following table would give the list of villages and households selected for the study.

Table 1.2

Sl.no	Hobali	Area in Hectares	%	% to total	No. Farm Households
I	**Chikodi Hobali**				
	1 Nainglaj	806	12.6	24.88	25
	2 Peerawadi	1910	29.48	58.96	60
	3 Pangeri	529	8.16	16.33	15
II	**Nippani Hobali**				
	Akkol	586	9.04	18.09	18
III	**Sadalga Hobali**				
	1 Examba	622	9.6	19.41	20
	2 Galagataga	576	8.89	17.78	18
	3 Mamadapur Kl	927	14.3	28.67	28
	4 Bhoj	522	8.07	16.61	16
	Total	**6478**	100	200.73	200

Source: District at Glance, DSO, Belgaum

Selection of HHs was done based on the proportionate sampling method which is explained as below.

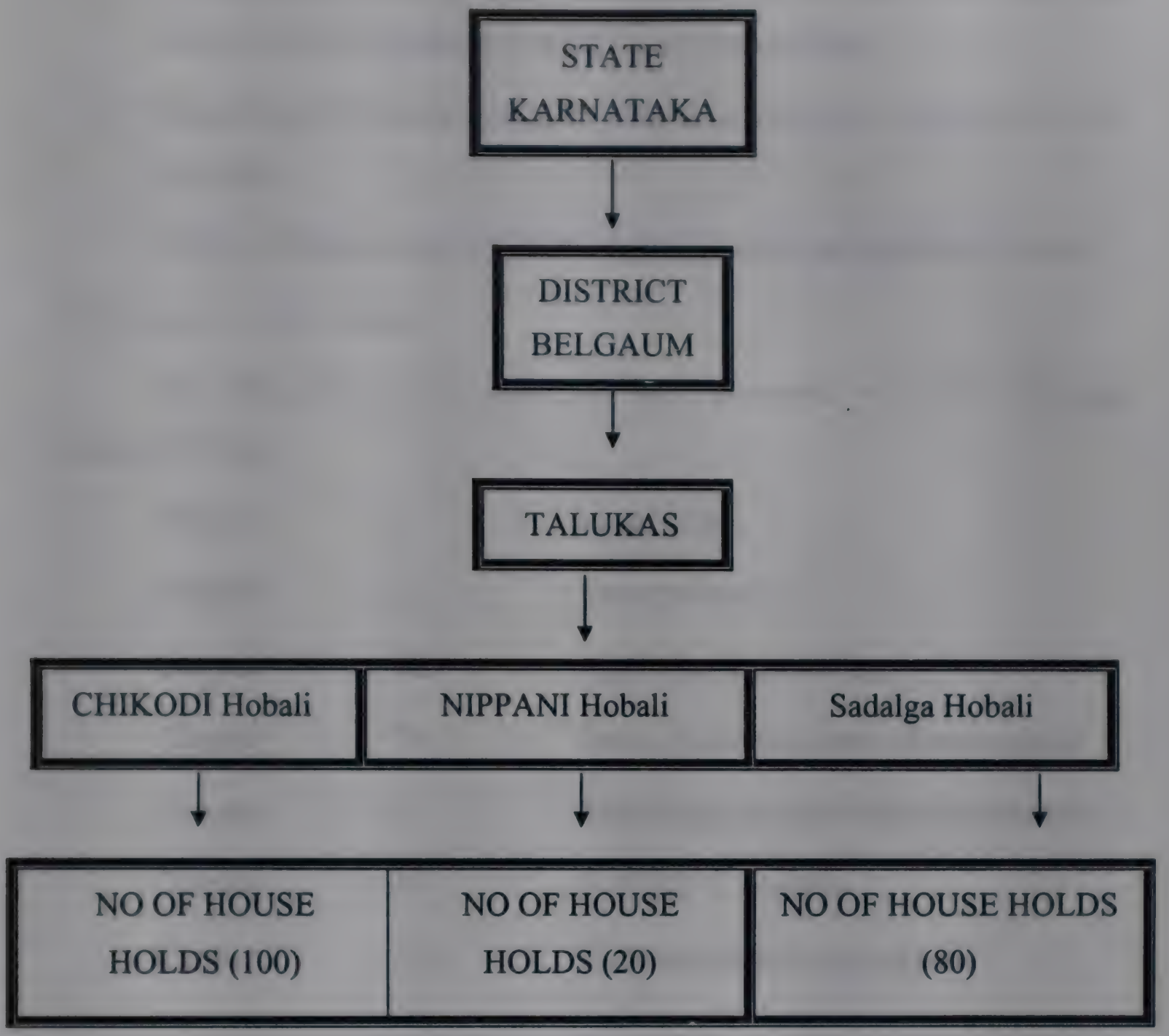
Number of HHs to be surveyed was taken to be 200 based on the time and resource constraints. Thus, these 200 HHs were distributed across the villages growing tobacco based on the proportionality principle.

The proportionality was worked out on the basis of the following formula.

$$\frac{\text{Area of Tobacco in the Village}}{\text{Total Area of Tobacco in Sample Villages}} \times 200 \text{ HHs}$$

Flow chart 1.1

Sampling Frame for tobacco and chilli producers:



1.9 Data Analysis:

The survey of farm HHs would try to capture various socio-economic information on production and marketing of tobacco and chilly. The information would be analyzed to understand the weaknesses of the tobacco marketing which in unregulated in nature with that chilly which is a regulated affair.

1. In the first instance an attempt would be made to analyze the tobacco production at the national level

2. In a similar way what is the position of tobacco at the state level would be attempted
3. Thirdly the ground level scenario at the district level for both chilly and tobacco would be presented using the secondary data
4. Finally the HH survey would be used to examine the objectives set for the study

Simple statistical tools would be applied to arrive at meaningful results.

1.10 Layout of the Study:

The discussion in the study has been presented with the following chapter scheme.

Chapter	1	Introduction
Chapter	II	literature review
Chapter	III	Agricultural marketing
Chapter	IV	Socio Economic status of respondents
Chapter	V	Marketing functions of the respondents
Chapter	VI	S. W. O. T. analysis
Chapter	VII	Conclusions and suggestions

CHAPTER -II

REVIEW OF LITERATURE

In this chapter books and literatures of eminent personalities on various aspects of agriculture are referred and reviewed.

The following books/literature of eminent experts in the field, scholars with national and international repute and of authorities in the subject were referred and reviewed on the areas pertaining to

I. Meaning of agricultural marketing.

II. Structure of marketing

III. Problems of agricultural marketing

IV. Channels of marketing

V. Agricultural practices

VI. Regulated markets

VII. Storage, ware housing and processing so as to correlate their findings with the finding of the present study, which can be illustrated as under serially.

2.1

I. Meaning of agricultural marketing.

Many prominent researchers on the subject of Agricultural marketing have made their contribution, viz., Saxena(1977), Singh(1979), Dixit & Verma (1980), Jayashankar (1984). Some of the prominent geographers, viz., Mukharjee (1937), Kulkarni K.R. (1956), Kohls & Uhl (1980), Acharya and Agarwal (1992) have also brought in significant solutions to the problems of agricultural marketing.

Other important studies which made the headway in the field of Agricultural marketing in India and in the world are by Hallander (1968),

Yadav(1986), Prasad & Prasad (1995), Mayyar and Ramaswamy (1995) and RajaGopal (1998). In 2001 Jagadish Prasad has edited and published Encyclopedia on Agricultural marketing in VIII volumes.

Richard Kohl's (1968) in his book ' Marketing of agricultural products' has given the definition on agricultural marketing. It states that " agricultural marketing is the performance of all business activities involved in the flow of goods and services from the point of initial agricultural production, until they are in the hands of ultimate consumer".

The following two important aspects can be deduced from the definition, that.

a. Consumers are interested in purchasing what they want best, at the lowest possible cost and
b. Agricultural producers that is farmers expecting the highest possible returns from the sale of their products.

In addition the following findings also can be summarized as.

1. The consumers and producers opinion is in conflict with each other. Still it can be generalized that both finally come to an understanding & get their dealings settled.
2. Because of the unique feature of a large number of widely spread small farmers operating their business on a small scale, agricultural marketing really enjoys a very significant position and plays a very important role particularly from agricultural producer's point of view.

National Commission on Agriculture (1976) commenting on the importance of agricultural marketing has emphasized that, it is not enough to produce a crop or animal product, it should be marketed as well. The commission in its report defines agricultural marketing as "a process which starts with a decision to produce a salable farm commodity and it involves all aspects of market structure or system, both functional and institutional, based

on technical and economic considerations and includes pre and post-harvest operations, assembling, grading storage, transportation and distribution".

The definitions pointed out following things

1. It is not sufficient to produce a crop but if must be marketed well.
2. More effects are certainly needed for easy and efficient marketing of agricultural produce.
3. It should be assured that the produce reaches at the place required, at right time and in right quantity.
4. Increased amount of marketable surplus has increased the significance on the improvement of existing agricultural marketing system.
5. The commission believed that the benefits should go to the rightful claimant rather than to the intermediary of the marketing system.
6. The marketing system should achieve social objectives.
7. The Indian planning (IX planning 1997 – 2002) focused as growth with social justice & equality.
8. The commission affirms that regulation of agricultural markets, will achieve a significant contribution towards increasing the returns to the farmer on the one hand and on the other hand development of the region and the economy.

The significance of the definition selected, would be highlighted as under.

1. Marketing is a deliberate activity, the author points out that; if the farmer decides what & when to produce, he would be benefited just like an industrial producer.
2. The marketing of agricultural products is pre-decided i.e. the farmer decides well in advance the marketing of his produce even before the commencement of production & thus that his actions are pre-decided.

3. The definition does not ignore the fact that marketing aims at maximizing the profit.

In addition, articles by research scholars of national & international repute on agricultural production & marketing are also reviewed, but these studies are related to marketing of food grains.

Nwokoye (1981) observed that the marketing provides a driving force for economic development, and the level of economic activity in turn, affected the development of marketing system, any efforts towards the improvement of marketing system may start the automatic chain of the economic development of a region. But, the markets in general are not independent phenomena to be improved and to be given a significant emphasis for achieving a good shape of national economy. To aid the study, several research papers are also referred on aspects like market supply, market structure, price spread, market integration & performance of regulated markets.

R.S. Dixit (1980) in his book named Agricultural marketing in India, a case study of regulated agricultural marketing in U.P was selected. The author in his study has analyzed the conditions of marketing of agricultural produce before regulation. " The entire process or chain related to the shift of agricultural produce from its producer to its consumer (at a particular place, particular time and at a particular price) is known as agricultural marketing. Thus, the agricultural marketing is the performance of all business functionaries involved in the flow of goods and services.

C.B.Memoria & Satish Memoria (1997) in their book "Marketing Management" mentioned the essentials of modern marketing as:

1. Present day marketing is dynamic, progressive and active rather than passive.
2. Rather than what was there is in the traditional marketing i.e. supply equals demand, modern marketing is representing towards "equilibrium".

3. Today, the producer produces only according to the needs & wishes of consumers, and concludes that, total satisfaction of consumers has increased due to modern technology & specialization

Dr. Venkat Reddi (2001) in his book on Agriculture & rural development has expressed the importance of agricultural marketing. The author opined that the efficient marketing is essential for the economic development of a country and it helps in improving the income of the individual producers of all categories, apart from meeting the requirements of the customers.

He observed that, agricultural marketing is important due to the following reasons:

1. Development of marketing leads to integration of different sectors of the economy such as agriculture, industry, transport etc.
2. Different utilities such as form utility, time utility, place utility are created by marketing.
3. Small farmers will be encouraged to turn out marketable surplus and also cause in raising cash crops and there by earn money.
4. Marketing helps the farmers to sell their produce at remunerative prices. Thereby prevent from fluctuations and maintain stability of prices.
5. Higher standard of living is achieved & maintaining by marketing.
6. Increased employment opportunities are created by marketing.

Summary statement

Having reviewed six definitions on marketing of agricultural marketing, a core area of the study, by prominent authorities the concept is summarized as under:

It is not sufficient merely to produce a crop, the crop must be marketed. This means that, there should be a market for the agricultural produce

produced. The agricultural marketing is a process of flow of goods from the production stage to consummation stage.

Another aspect to be highlighted is that, small farmers having widely spread operating on a small scale find the need and nearby marketing provisions to sell their produce very conveniently and for which agricultural marketing becomes a significant means in their endeavor.

It is also observed that, development of marketing leads to integration of different sectors of the economy and the nation, by providing a base for the rural development.

Finally, present days marketing has been characterized as dynamic, progressive and active and is functioning towards equilibrium, which has resulted in to the total satisfaction of consumers.

2.2. Structure of Marketing

Following books and authors have been referred in this regard on the structure of marketing

J.C.Abbot (1958) highlighted the importance of effective marketing systems at all stages of development. Further the author specifies three basic conditions for agricultural development;

i. Prices must be remunerative

ii. Adequate marketing facilities be provided &

iii. There should be a satisfactory system of land tenure

Bain (1959) in his article on "conduct and performance of American industries, examined the market structure, conduct & performance of the American industries and cited that, the market structure consists of interrelated factors such as,

i. Number of buyers

ii. Number of sellers

iii. Number of functionaries &

iv. Quality of goods and conditions of entering market.

Sosmic (1961) in his study analyzed the market structure, conduct and performance of the market and remarked that the performance of the market depends on the outcome of action in the market. By action he means the quality bought by the buyers from the sellers, the market price, transfer cost and profit of operators.

Peter Drucker, an eminent marketing scientist, emphasized that the marketing is the most important factor for economic development. He further stressed on the need of training & development of managers in the distribution system to strengthen the development process.

Dr R.R. Doshi (1992) in his article on Cost & margin in marketing of bidi tobacco brought out the sorry state of tobacco marketing in the Nippani tract since, from the establishment of agricultural marketing committee in Nippani. Further, he suggested that APMC should assume more responsibilities for orderly conditions in the market.

Govindraju in his study analyzed the market structure where the number of buyers and sellers and quantity purchased was largely affected with the competition & price fixation of any agricultural commodity. Further, he has hypothesized that the introduction of auction sale of F.C.V. tobacco helped in increasing the level of competition in Mysore & surrounding areas.

Summary statement on structure of marketing

Based on the above six expert's literatures on structure of marketing, following observations can be made,

The agricultural development requires facilities like payment of remunerative prices to the producer, adequate marketing facilities and satisfactory land tenure system.

Further they opined that, marketing conditions depend upon the buyers, sellers, functionaries and quality of goods available for sale in the market.

Another aspect highlighted by the experts in the field is that, marketing Institutions like A.P.M.C. should shoulder more responsibilities for the betterment of farmers in general and by the follow up of auction system in particular.

2.3. Problems of Agricultural Marketing

The following books have been referred on the problems of agricultural marketing.

Dantawala (1937) narrated the market practices involved in the exchange of commodities and malpractices followed by traders. He also pointed out that the existence of inter- linkages between the commodity markets and money markets in rural India. Lack of infrastructure facilities such as roads, proper market yards, warehouses etc were also pointed out. The author has also cited that the farmers are subjected to exploitation by the traders and facing a very unsatisfactory environment of agricultural product marketing system. For this, the author recommended that there should be regulation of market practices and provision of better infrastructure facilities to improve the marketing facilities which would improve the marketing of agricultural products.

Pureto Rican and J.K.Gaibrath (1955) found in his study that food marketing was performed by highly inefficient methods and institutions, among that distribution system in general and retailing in particular.

Chauan (1974) conducted a special study in one of the most intensive rapeseed mustered growing areas in Agra district by selecting sample farmers, just six kilometers away from regulated market and found that 81 percent of the farmers sold their produce in villages to small traders. His study pointed out that, the mandi traders had a tendency to cheat the growers by means of undue deduction, price cutting etc.

B.H. Devarajan (1974) in his MPhil thesis on "Rising Trends in cost of Agricultural Marketing in India" studied the cost of agricultural marketing for various commodities. The findings of the study were the share of the farmer for

food grains is more as compared to other crops such as tobacco and cotton etc. This he says because, food grain prices are relatively high, wage rates are low and capital investment is low in marketing.

K.Subbarao (1988) classified the problems of agricultural marketing into following categories:

1) Seasonality in market arrivals and prices and problems of small Farmer

2) credit ties storage and infrastructure which are summarized as under.

One of the repeated defects of the marketing system in India is that the prices are unduly depressed in the immediate post harvest period avid that the rise to excessive heights in the off season. A large number of small and marginal farmers market small quantity of grains during the harvest season when prices are depressed and minority of large farming household sell substantial quantities at a time when prices are favorable.

This system has potential for worsening the income distribution. The study further revealed that if for a homogeneous product small farmer receive prices lower than large farmer in a given marketing season, the marketing system would re-in force the hardships arising out of inequalities in the distribution of land and non-land assets. Further, the study clearly indicates that primary and terminal markets are not effectively integrated reflecting the infrastructural short comings in the marketing system.

The another stated that in spite of severe inter seasonal price movements, farmer could still take advantage of such a price behavior by postponing their sales to the off season for this the author relies on the ability of the farmer which according to him is a function of

a. His economic position i.e. income and wealth position
b. Access to the credit market, especially institutional lending agencies so that the necessity to borrow from traders/ processors and consequential tie-in-sales be avoided.
c. Storage facilities.

Thus, dependence of farmers especially small farmers on non institutional sources of finance resulting in tie-in sales, inadequate storage, low staying power, poor transport, absence of market information, ineffective market regulation, pivotal position of traders and processors and the absence of scientific grading are the major weakness of the agricultural marketing system.

Biradar (1989) did a research work on 'Effectiveness of Regulated markets in the interest of cultivators at market place .A case study of Shree Shau Market Yard, Kolhapur' was studied and it is observed that there were no incentive schemes for farmers. It is therefore necessary to start the incentive programmes like providing higher prices for their commodities, agricultural inputs at concessional rates and charging less market cess etc in order to make regulated markets more attractive to the farmers.

K. Subbaro (1989) in his presidential address in the 'National conference on agricultural marketing in India' spoke upon the problems of agricultural marketing,

The author citing the example of Karnataka found that intermediaries in the marketing of perishable crops receive returns far in excess of their role in creating form, time and place utility. According to him even in case of commercial crops such as cotton, ground nuts and tobacco, the commission agent flourishes because of the position of chief source of marketing finance to the producers. The producers of these crop especially small farmers are exposed to the risks of yield and price fluctuations.

Von Braun (1989) in his book 'Agricultural marketing' clearly observes that marketing of agricultural produce is one of the important problems faced by developing countries. He relates income of the farmers and economic development of the country and therefore unless income of the farmer is increased, economic development of the country cannot be promoted. The author suggests that in order to provide benefit to small and marginal farmers, we should provide good market to them.

Patel S.K. (1992) conducted a special study on the functioning of regulated markets in (Kheda) Gujarath and pointed out

1. Large number of malpractices are prevalent in the marketing of agricultural commodities
2. Unsatisfactory performance of market functionaries is responsible for soaring prices of agricultural commodities.

To overcome these, he suggested that the market should be regulated so as to ensure fair prices by checking unauthorized market price.

M. Indira (1998) in her study on "An economic analysis of coffee marketing in India", the scholar had made the observations regarding various stages of marketing as, consumption, retailing wholesaling, processing, assembling and production. She found that, large numbers of small farmers are producing units which are scattered in different areas.

Dr.J.M.Uppin (1998) in his research study on 'The working of Regulated market in Belgaum District', pointed out the absence of regulated markets and suggested the following:

1) Regulated markets play a vital role in providing the necessary services to the producer/ seller of agricultural commodities and there by enable him a fair price for his products. Hence, he suggests establishment of A.P.M.C. in each revenue circle.
2) A.P.M.C. should deal in all the notified commodities for the benefit of agricultural produce.

H.H.Veerapur (2000) in his research work on 'marketing practices in chilli marketing centers of Dharwad districts has observed that chilli growers were facing number of problems like vagaries of monsoons, primitive methods of cultivation, plant diseases. These problems had an effect on productivity of chillies. He also cited the following marketing problems;

l) Lack of drying and grading facilities, inadequate storage facilities and transport bottlenecks, biased market practices, superfluous market charges etc.

The scholar is in the opinion that, marketing problems have affected farmers and have prevented them from getting remunerative price for their produce.

R.S.N.Pillai and Bhagavati (2001) in his book on modern marketing made the following statements while elucidating the problem of agricultural marketing as "The buyer-merchants are highly business minded, the middle men employed also work for and on behalf of the buyer. The poor cultivators, who bring their produce to the markets, are made fools by the brokers the appearance of brokers or agents changes the market mechanisms from bad to worst and complicated.

S.R.Kadkol (2002) in his research study on "Marketing performance of regulated markets in Dharwad district", mentioned the conditions before the establishment of regulated markets. He observed that the market were scattered and were in congested area. They did not have infrastructure facilities. The researcher found that, after the regulation, the infrastructure facilities of commodities sold in the markets improved. He in his study has given the following suggestions.

1. Construction of rural link roads and other transport facilities.
2. Modernization and mechanization of agricultural marketing.
3. Increase in storage facilities.
4. Strict implementation of market regulation.
5. Control of seasonal gluts and prices.
6. Financial support.

S.N.Yogish (2008) in an article in southern Economist (Oct) mentioned two problems of Agricultural marketing. The trade is organized but the farmer

is not organized, farmer is not aware of complexities in the marketing system. The farmer sells his produce at an unfavorable place, time and price. The author strongly believed that, with the recent developments that are taking place in marketing, agriculture sector entails to be market oriented. He remarked that production, processing and marketing are the three pillars of agricultural economy in India.

G.K.Vidya Shankar in his research thesis on 'Efficiency of Groundnut marketing, a study of regulated markets in north Karnataka, quoted the statement of the Royal commission on Agriculture that 'farmers are not getting adequate returns commensurate with the labour and investments due to the intervention of middlemen and due to prevalence of mal practices in marketing'.

1. Farmers are not able to get adequate returns because of the intervention of middle men
2. There have been existences of verities of mal practices in agricultural marketing.
3. Farmers are unaware of the prevailing prices which forced them to sell their products to the commission agents, who worked against the interest of the producer.

To eliminate these ills, the Royal Commission strongly recommended the need for regulating the trading activities.

D.R.Jat "Marketing of Agricultural production", reviewing this book, four very important aspects were identified

1. The physical production alone does not guarantee the smooth development of agriculture at both micro & macro levels.

   The author strongly comments that agricultural marketing policy can succeed in its aim of achieving efficiency in the form of reduced unit cost of distribution, efficient pricing, stimulated production, creation of new demand dimensions and avoid unnecessary price fluctuations. only

where the agricultural marketing policy is implemented at the micro level with special priority. Unless revolutionary changes are adopted in the field of marketing to absorb enhanced agricultural output realized, there would be a set back to the economic development.

2. Mere increase in production neither provides benefits nor ensures prosperity to farmers, unless they realize adequate price to their produce by means of a suitable agricultural marketing policy

3. The agricultural policy till early sixties did not operate efficiently. The policy helped only in keeping the prices of cereals low but not of cash crops like oilseeds, cotton, and jute including tobacco.

S.S.Acharya and N.L.Agarwal (1999) in their book "Agricultural marketing in India", evaluated the promises and performance of regulated markets and listed the following problems of agricultural marketing in India.

1. Heavy village sales.
2. Post harvest immediate sale.
3. Defective preparation for marketing.
4. Lack of organization among Farmers.
5. Multiplicity of weights & measures.
6. Adulteration
7. Mal practices in market.
8. Absence of grading & standardization
9. Forced sales.
10. Existence of large number of middlemen
11. Inadequate storage facility.
12. Lack of market information.

C.S.Prasad in his book 'sixty years of agriculture in India' comments the problems of agricultural marketing. The Farmer sell their produce mostly

through village money lender, who advances them loans for the purchase of seeds, fertilizers and to meet his domestic needs such as birth, deaths, hospitalization etc. After lending the loans, the money lenders purchase the products either at low price or unfair weights or delayed payment. He also goes for unwarranted deductions.

J.M.Barker in the book 'Agricultural marketing' analyzed and cited several agricultural marketing problems like:

1. The different nature of agricultural Commodities like perishability & seasonality.
2. Availability of storage facility will help the regularity of supply. He also explains the necessity of proper transportation facility needed to carry the bulky commodities.
3. Since, the production of agricultural goods is in small quantity, co-ordination is difficult and
4. Agricultural goods compared with industrial goods are intermediary goods, which affects upon share in the price of products sold by them.

Venkatramanappa in his thesis on an 'Economic analysis of jowar marketing in unregulated and regulated market of North Karnataka', observed that Indian farmers had suffered in marketing their produce because of their ignorance and also because of peculiar structure of Indian market over which they do not have any control. He also observed that, the producer after making investment and strenuous efforts expects better price for his products but the middleman takes away a large share in the net profit.

Summary statement on problems of marketing

Several scholars have reviewed the problems of agricultural marketing. They stressed on the organization of marketing system, to facilitate agricultural producers to get remunerative price, with coordination of time and place of sale.

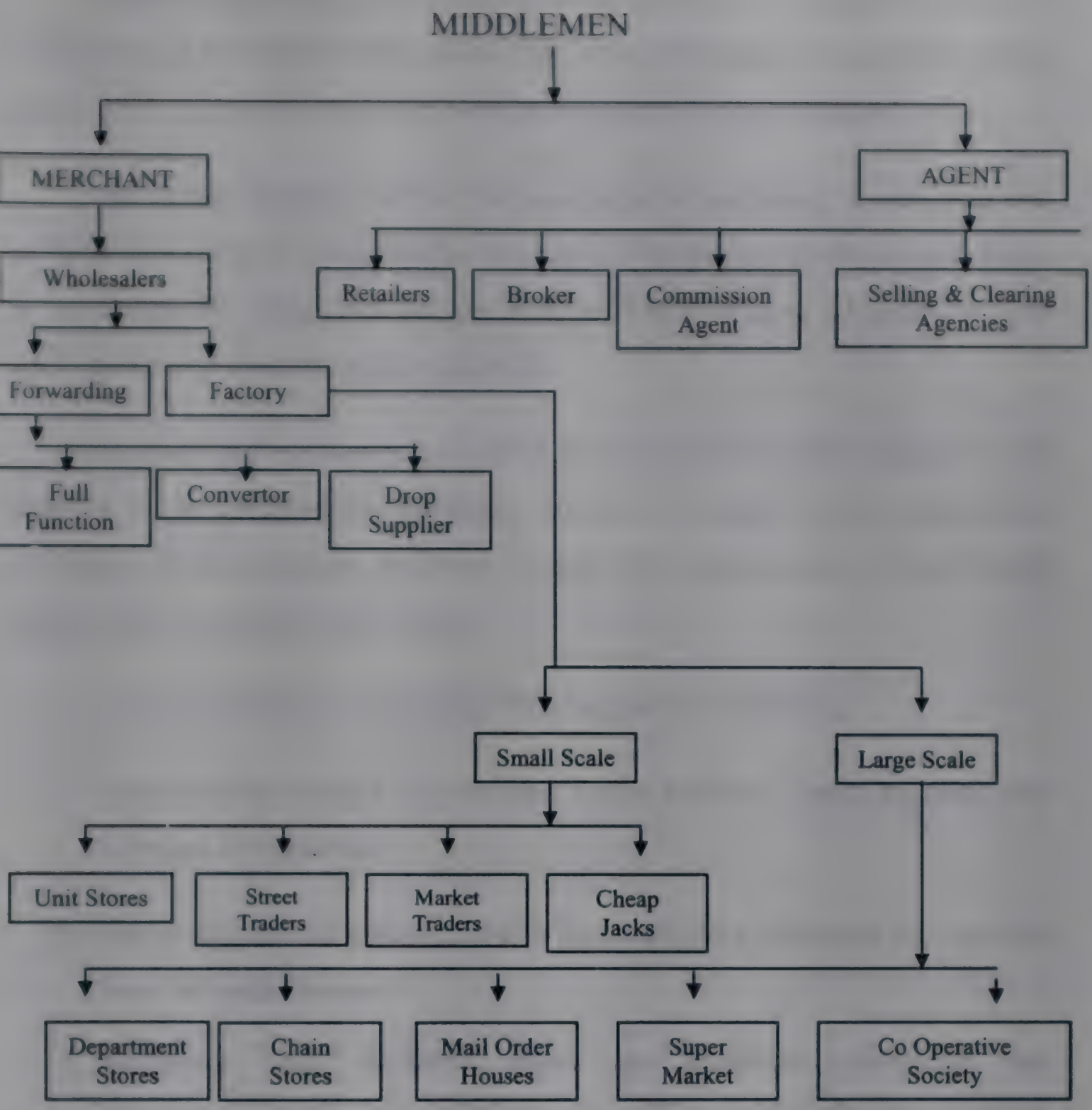
Some of the scholars told that, incentive's like, availability of inputs at lower rate, cheap credit facilities and low marketing charges are provided only by regulated markets, hence they suggested for the establishment of regulated markets in the interest and welfare of agricultural producers.

It is found that middlemen get higher share in the price by indulging in unfair practices which needs to be minimized. The nature of agricultural commodities is perishable and seasonal in nature and as there is no availability of proper storage and proper transport facility, they received low price in the market.

Many authors highlighted the fact that, unless the income of the farmer increases economic development of the country cannot be achieved. Post harvest immediate sale, heavy village sales, absence of grading, existence of large number of middlemen are the major lacunas of existing marketing system. They recommended for the regulation of market prices. The studies have revealed that most of the marketing problems are faced by small farmers, to overcome them co-operative marketing societies should be established.

2.4. Channels of marketing To study the variety of channels of agricultural marketing, the following books, studies have been reviewed.

Kulkarni K.R. (1962) conducted the study on effect of Government policy on market structure has examined the working of different regulated markets for different crops. The scholar compared the two markets during his study and assessed the relative efficiency between regulated and unregulated markets



Yeleddahlli (1988) in his research work on 'production and marketing of dry chillies in Dharwad district has identified the following two channels prevalent in the market namely,

Channel - I

Producer/seller. → Village merchant → Commission agent → Wholesaler/exporter.

Channel - II

Producer/seller → Commission agent → Wholesaler/exporter

He has found that, channel II was more popular as compared to channel I, this he says he is due to the reason that, channel II gave the producer better price, quick payments, social ties with intermediary etc over channel.

He further pointed out that, the co-operative marketing society was not an important channel for dry chillis because of low price expectation and delay in payments .He found that co-operative marketing society's handled a very small portion of the total market arrivals.

He is of the opinion that if a shift is to be achieved form channel I and channel II to co-operative marketing society, a change in the operational strategies of co-operative societies to suit the requirements of small and medium farmers should take place.

To achieve this he suggested following policy measures,

1. Small farmer should be provided credit facilities, input supplies and schemes of insurance.
2. Better agronomic practices are to be promoted to increase productivity level of small farmers.
3. Adequate credit facilities, inputs and technical knowledge and development of new verities' of chillies will help to improve productivity of chilies.
4. To prevent the immediate sale of chilies by the small farmers warehousing facility and credit facility has to be provided.
5. In order to stabilize the prices, demand and supply should be regulated.
6. Co-operative marketing societies will avoid the sale in small lots by small farmers.
7. Enforcement of standard weights and measures be rigorously made.
8. Financial assistance to co-operative societies will help to attract the farmers to sell their produce in co-operative societies.

Subramanian (1982) in his study on efficiency of different channels in marketing of cabbage, carrot and cauliflower in Madurai district and Tamil Nadu, observed that the majority of cultivators have preferred field sales over market sales for vegetables. Among different channels at the field sales pre-harvest contractors were preferred over wholesalers and retailers by cultivators of cabbage and carrot. The study also stated the preference of retailers over wholesalers and pre-harvest contractors by the cultivators of cauliflower were due to the small area cultivated under this crop by the individual cultivators. He observed that transport and commission charges accounted for more than 95 per cent of the total marketing cost.

Patil *et al.* (1983) studied the marketing margins and price spread in the marketing of Alphanso mangoes in Ratnagiri district. Out of the four identified channels the direct sale to consumer was the most profitable, while selling through pre-harvest contractors was the least profitable.

Patil and Hiremath (1985) studied the "Production and marketing of chrysanthemum in Dharwad district, Karnataka". They found that sale through commission agent was the major channel followed in the marketing of chrysanthemum and the marketing margin in Belgaum market was slightly higher (63.76%) than that in Hubli market (54.9%).

Subrahmanyam (1986) observed two important channels for marketing of chrysanthemum in Kolar district viz., Selling through commission agents at the market (Channel-I) and Selling to pre-harvest contractors (Channel-II). He observed that most of the cultivators (92%) in Chickaballapur taluk sold their produce through commission agents whereas in malur taluk, most of the cultivators (81%) sold to pre-harvest contractors. The main reason for Chickballapur taluk farmers selling through commission agent was nearness of important market like Bangalore.

Rajagopal (1987) in his study on marketing of apple, Guava and mango fruits reported that the producers share in the final price was highest in apple crop followed by mango and guava. The cost of marketing was higher in guava

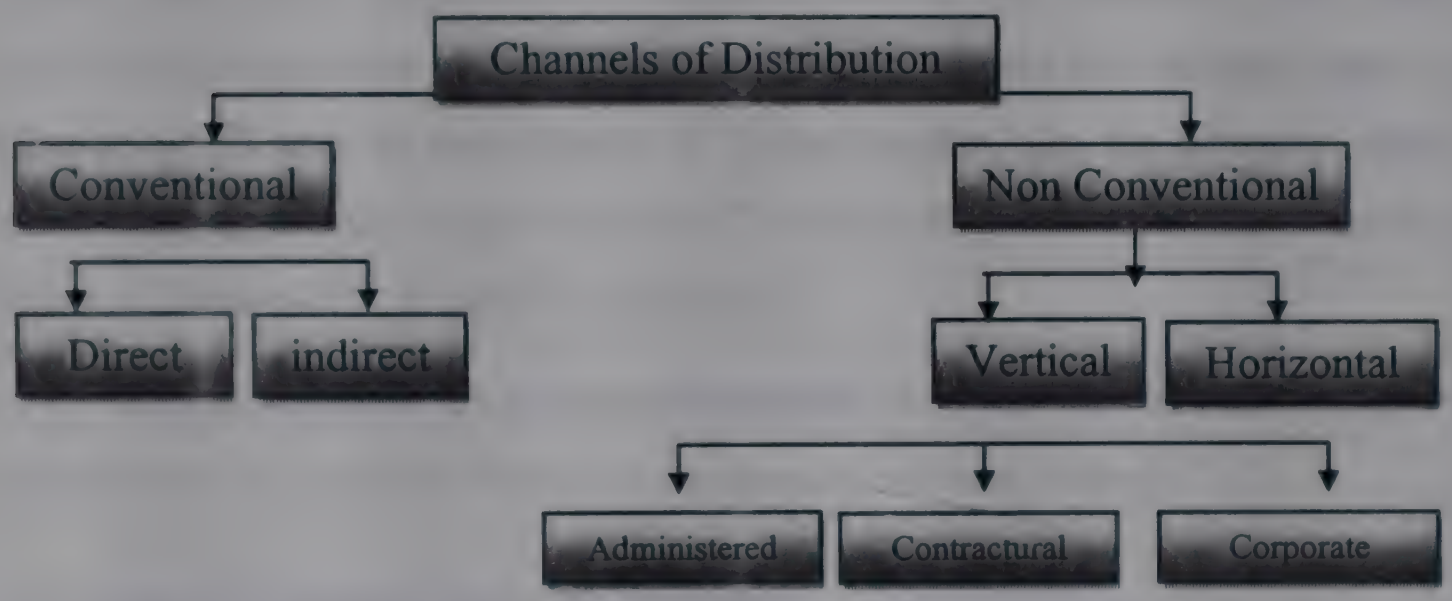
followed by mango and apple. It revealed that apple cultivation was economically viable even to small growers. He recommended that direct sales and sales through cooperatives should be promoted to provide more share to the producers in the final price of fruit crop.

P.G.Patre (1989) in his M.Phil thesis on 'marketing channels for dry chillies in Byadagi, Karnataka', identified the following different channels of chilli marketing.

1) Producer → Village merchant → commission agent → wholesaler → wholesale distributor → Retailer → Consumer.

2) Producer → Co-operative marketing society → wholesale trader → wholesale distributor in market → Retailer → Consumer.

3) Producer → Commission Agent → Whole sale → Wholesale in distributor in market → retailer → consumer.



Conventional Channels

1) Manufacturer to consumer
2) Manufacturer to Retailer to consumer
3) Manufacturer to wholesaler to retailer to consumer
4) Manufacturer to wholesaler to consumer
5) Manufacturer to agents to wholesaler to retailer to consumer.

In the opinion of the author a direct channel was one which is the shortest channel, where the company chooses to sell directly to the consumer without engaging any intermediary. In the indirect channels on the other hand the employs the services of intermediaries for moving the goods to the consumer.

Kulkarni (1989) in his study on economics of production and marketing of grapes in Bijapur district, Karnataka, identified two marketing channels, they were.

a. Producer – commission Agents com whole Saler-retrailers consumers and

b. Producer- pre harvest contractors- retailers- consumers

The study revealed that selling through commission agent in the market was profitable compared to pre- harvest contractors.

Karisomanagoudar (1990) studied the marketing of rain fed onion in Gadag and Hubli markets of Dharwad district. He reported that onion producers got the share of 43.26, 38.15 and 35.64 per cent in consumer rupee in Channels-I, II and III respectively in Gadag market. On the contrary under Hubli market, producers got 56.49, 36.72 and 36.82 per cent of the consumer rupee in channels IV, V and VI respectively.

Raikar (1990) in his study on investment in production and marketing of cashew nut in Karnataka, identified six channels of trade namely,

1] Grower → Itinerant Trader → Processor

2] Grower → Pre → Harvest Contractor → Itinerant Traders → Processor

3] Grower → Village merchant → Processor

4] Grower → Traders → Processor

5] Grower → Processor

6] Grower →Commission agent → Trader → Processor.

The results further revealed that producers share in consumers price was more (52%) in channel-3. this share was reduced to 37.50 per cent when producer sold his standing crop to pre-harvest contractor was very low.

Koujalagi and Kunnal (1991) made an attempt to identify the marketing channels and estimated the marketing costs of pomegranate in Bijapur district. They have identified two channels.

Channel-1 :

producer → pre-harvest contractor →commission agent cum wholesaler →retailer → consumer.

Channel-2:

producer →commission agent cum wholesaler →retailer →consumer.

The total marketing cost incurred by pomegranate producer seller was Rs.71.94 per quintal. The four items namely commission, transportation, packing material and harvesting together formed 95.88 percent of total marketing cost. The other items namely labour charges and miscellaneous expenditure constituted the remaining part of marketing cost.

Hiremath (1993) studied the economics of production and marketing of lime in Bijapur district, Karnataka and found that only one marketing channel existed in the study area, it is directly farmers to the wholesaler.

Prabhakar Rao *et al.* (1993) studied the marketing costs and margins of jasmine in Guntur district of Andhra pradesh and they identified the following marketing channel: Producer _ Wholesaler _ Retailer _ Consumer They found that the producers share in the consumer rupee was Rs. 700 (50.44%) per quintal.

Rajagopal (1993) in his study on Indian rural marketing has classified marketing channels for disposal agricultural products as

1) Primary **2) Secondary & Terminal Channels**

Jairath (1994) studied production and disposal pattern of sweet potato in India and found that majority of the producers sold their produce to city traders working in the regulated market followed by village merchants and pre-harvest contractors. Following three types of marketing channels were identified.

Farmers → Traders/Commission agents → Sub dealer → Retailers → Consumers

Farmers→ Village merchants → Commission agents → Sub-dealer → retailer →

Consumers and Farmers → pre-harvest contractors → commission agent → Sub-dealer → Retailer → Consumers.

Gummangolmath (1994) studied the economics of production and marketing of mango in Dharwad district, Karnataka and identified the different channels of transfer of mangoes from the farmer to the consumer.

Channel-1 Producer → commission agent → Retailer _consumer

Channel-2 Produces → Pre-harvest contractor (wholesale) → Retailer → Consumer

Channel-3 Producer → Processing Units Agents → Retailer → Consumer.

Channel–4 Producer → Pre harvest Contractor → Commission agent → Retailer → Consumer.

Senthilnathan and Srinivasan (1994) identified the following channels of banana marketing in Trichirapalli district of Tamil Nadu.

Channel-1 : Farmer → Pre-harvest contractor → secondary wholesaler

Channel-2 : Farmer_pre → harvest contractor → commission agent → wholesaler _ retailer_consumer.

Channel –3 : Farmer → Regulated market wholesaler → Retailer → consumer

Channel –4 : Farmer → Regulated market → secondary wholesaler.

Among these, channel-1 and channel-4 dropped for the study because of the involvement of secondary wholesaler in proven marketing, which was very limited.

It was found that channel-2 was relatively efficient than that of channel-3 since the share of producer in consumer rupee in channel-3 (71.60%) was higher than that of channel-2 (61.27%) mainly due to distress sale to the pre-harvest contractors who were the usual financiers for the farmers.

Shyamasundar *et al.* (1995) in their study identified the four important marketing channels fallowed in disposal of onion:

Producer → village level trader → wholesaler → retailer → Consumer

Producer → wholesaler → retailer → Consumer

Producer → commission agent → Trader → Trader cum → Retailer → consumer. and

Producer → commission agent → cart vendor → consumer.

Producer → Trader → cum-commission agent → retailers → consumers

The producers got the highest net price per quintal in channel-2 (Rs. 163.57) and lowest in channel-1.They found that producer's net share was as low as 45 per cent. The trader-cum commission agent and retailer cost and margin was 6.02 and 45.78 per cent respectively. All the farmers opined that non-availability of adequate financial help for cultivating the crop was a major production problem. About 85 per cent of the farmers felt that commission charges were high.

Singh (1996) studied price spread of citrus fruit in mid hill of Jammu and Kashmir. An overall view of results revealed that producers share in consumers rupee was 35.71 percent in channel-1 (producer _ pre- harvest contractor_ retailer _consumer) and 81.25 percent inchannel-2 (producer_ retailer _ consumer).

More (1999) in his study on Economics of production and marketing of banana in Maharashtra state identified two important channels through which banana from the study area passed from the production to the ultimate consumers. They were,

Channel –1 : Producer → Commission agent → Cum → Wholesaler → Retailer → consumer

Channel –2 : Producer → Commission agent → Distant market

The estimated marketing cost of producer – seller was Rs. 15.17 per quintal, while it was Rs. 38.01 per quintal in commission agent – cum

wholesaler and Rs. 52.24 per quintal in retailer. The producers share in consumer's rupee was 58.44 per cent.

S.S.Acharya and Agarwal (2001) in his book 'Agricultural marketing in India', identified the common marketing channels for wheat

1) Farmer to consumer
2) Farmer to retailer or village trader to consumer.
3) Farmer to whole seller to retailer to consumer.
4) Farmer to village trader to wholesaler to retailer to consumer;
5) Farmer to co-operative marketing society to retailer to consumer.
6) Farmer to Government agency marketing society's fair price shop owner to consumer.
7) Farmer to wholesaler to flour mills to retailer to consumer.

The author opined that these channels are common for paddy rice and pulses

Vigneshwar Varamundy (2001) in his book on 'marketing of spices' has observed different channels for marketing chilies in India,

1. Producer → consumer.
2. Producer/farmer → retailer → consumer.
3. Producer/farmer → whole seller → consumer.
4. Producer/farmer → whole seller → retailer → consumer.
5. Producer/farmer → commission agent → whole seller → consumer.
6. Producer/farmer →commission agent →whole seller → retailer consumer.
7. Producer/farmer → commission agent → whole seller → processing factory → spice trader → selling agent both internal and external consumer
8. Producer/farmer → consumer → consumer enterprises

Gangal (2002) studied the performance of banana plantation in North Karnataka and identified two important marketing channel through which banana is transferred from produce to ultimate consumes.

Channel –1.

Produces➔commission agent ➔cum ➔ wholesales ➔ Retails ➔ consumes.

Channel-2.

Produces➔ producers ➔village trade ➔ consumes.

Nearly 70% of the farmers sold their produce through commission agent cum wholesale and remaining 30% was sold through village level trades.

Sundararadarayan and Jahanmohan (2002) studied the marketing cost, margin, price spread and marketing officers of cashew in Tamil Nadu, observed following five different marketing channels of cashew.

1] Farmer ➔village trade➔wholesale ➔processor➔trader

2] Farmer ➔cooperative marketing society.

3] Farmer ➔commission agent ➔ wholesales➔ processor.

4] Farmer➔processor.

A majority of the farmers (60%) adopted channel –1. followed by channel-2 (26.25%), channel 3 (10%) and channel 4 (3.75%).

Arun Pandit *et al.* (2003) studied the potato marketing in India. he revealed that the Indian marketing system suffers from high marketing cost, high middleman's margin, low producers share and inadequate marketing infrastructure, their solutions are grading should be followed rigorously, marketing cost could be reduced by establishing cold stores in producing areas. Regulation of potato market could be done by establishment of more processing units.

Khirsagar *et al.* (2003) studied the marketing of mango in Konkan coastal region. The study revealed that the marketing channel that existed for

vashi market is *viz.*, Producer – Vashi market wholesaler – Mumbai retailer - Consumer. Most of the farmers followed this channel. Among the marketing cost, whole saler's commission was the highest with Rs. 51.36 followed by cost of packing, transport cost and labour charges and overall level per crate marketing cost Rs. 142.69.

Summary on marketing channels.

It is found that generally the farmer sells his products either in the villages to a big farmer or a village merchant, who has financed him them at the time of sowing. The village trader in turn sells the products to the omission agent and he sells to the wholesaler /processors.

In above channel the share in the price of village merchants and other intermediaries is found to be more than that of the producer/farmer. These intermediaries also indulge in various malpractices. The farmer is exploited because of his ignorance, illiteracy, and small quantity of produce etc.

The scholars are of the view that the best channel among these is the producer selling his products to co-operative marketing society or to the regulated market. To achieve this either co-operative marketing societies or regulated markets should be established. As co-operatives are facing shortages of funds to purchase the products from the farmers, establishment of regulated markets is the best solutions in this regard.

2.5. Agricultural practices

Following articles were referred with regard to "practices of tobacco cultivation"

Rao (1959) in his thesis on 'flue cured Virginia tobacco, price movement & regulation of marketing tobacco in Andra Pradesh', observed that the production of tobacco involves risks which are beyond the control of the grower. In the marketing of the crop, there were innumerable sellers and few large buyers. The scholar elucidated the countries having monopoly as Japan, Turkey, Italy, USA, Canada, Southern and Northern Rhodesia Greece, Cuba.

He observes that marketing of Tobacco is of immediate concern in A.P. as it is an exportable commodity, and he remarked that,

i) Tobacco production is subject to risks.

ii) Another problem is of undisposed stocks.

iii) In UK market, low price is paid to Indian tobacco.

To improve the system of tobacco marketing, there is a need of compulsory Agmark grading.

T. D. Prasadrao (1994) in his study on "Tobacco crop and its impact on Indian agriculture", observed that tobacco crop is grown under wide ranging soil and climatic conditions of different states in India. Over a period, tobacco has become an important aspect of the Indian agricultural scenario and has helped farmers to adopt and improve farm practices particularly in the areas of nursery management and methods of fertilization irrigation and post harvest management and post harvest technologies since, tobacco has helped to improve the efficiency of agriculture practice it would continue to play a significant role in the years to come.

S.Kore and P.S.Murgeson (1995) in his article on 'marketing of tobacco in India' offer curtaining in sights in to the problems encountered by the non-Virginia tobacco cultivators in marketing their produce at the farm level .The problems he has highlighted are non availability of crop loans and lack of adequate storage facilities at the market place, the grower faces certain practices and conventions which are very much again their interest.

The authors therefore suggest that in case of Virginia tobacco, bidi Tobacco marketing may also be subject to

1) Introduction of grading system.

2) Regulation of marketing activities through auction sales

3) Announcement of minimum support price before season commence

4) Creation of adequate storage facilities.

5) Regulated markets.

Govindaraju (2000) revealed that the introduction of tobacco board and auction system for marketing of FCV tobacco, helped in getting better prices for the product, as the board pays the farmer more than minimum guaranteed price. He in his study analyzed various types of tobacco grown in India such as FCV tobacco, Burley tobacco, Natu tobacco, Hukka tobacco, Cherrot tobacco and snuff tobacco. He pin pointed that tobacco is concentrated in the states of Andhra Pradesh and Karnataka. He further quantified that 80% of production comes from Andhra Pradesh and the balance 20% of F C V tobacco is grown in southern Karnataka comprising of Mysore, Hasan, Chikamangalore and Shimoga districts. He further stated that FCV tobacco is grown in the month of August on the black soils whereas the same is marketed in the month of January – February in the states, Andra pradesh and Karnataka.

The author clarified that the production of tobacco increased in Mysore area because of the commencement of M/S Mysore tobacco company limited in 1937.According to him marketing of F C V tobacco is oligopolistic in nature as large number of small and marginal farmers used to bring the cured tobacco leaves to the few individual buyers whose price offered was final and there used to be a lot- of delay in payments. He further stated that the establishment of tobacco board by the Government of India in 1976 is a milestone with regard to settlement of the problems of tobacco growers as it aims at- regulating the tobacco trade and to provide remunerative prices to the farmers. In addition the introduction of auction sale from the year 1984 helped the farmers in getting better returns. He appreciated the board by supplementing the following reasons.

a) During the period 1988, 85 million Kg tobacco was exported from India.

b) Better organization of tobacco market.

c) The fixation of production target

d) Introduction of healthy competition among the buyers

e) Payment by cheque to the growers

f) Entry of registered farmers

g) Introduction of improved leaf quality, scientific curing and grading methods.

h) Government to declare minimum support price.

G.K.Vidyshankar (2000) the researcher in his study on regulated markets in North Karnataka, highlighted on market structure, Government and agricultural marketing and evaluated the performance of regulated markets. He has come to the conclusion that regulated markets have reduced village sales at the same time increased monetary gains to the producer seller. Further he opined that regulation is effective in lowering the margin of middlemen and increases the share of producers in the consumer's rupee. He believed that it also lowers marketing cost and change in the cropping pattern.

Manjunath.Y (2004) made a comparative analysis of onion marketing in Bangalore and Hubli regulated markets. He has found that whole sellers as the most important intermediary through whom bulk of the produce passes, in Hubli market and the village merchants were the most important intermediary in case of Bangalore market

Rajanish Chandra Srivastava (2006) in his research on functioning of regulated markets in Rajasthan has observed that regulation of agricultural markets works as an instrument for improving the economic as well as social status of the farmer seller who actually deserves the real benefit of agricultural marketing. He was of the opinion that even though the services of middlemen are significant and be rewarded for the role he plays, the interest of the farmer must be protected which can only be done by providing functioning of the regulated marketing system functioning in a given area.

Summary on Agricultural practices.

The authors reviewed that the agriculture in India is mostly in the nature of subsistence farming. There are large numbers of small farmers producing small quantity of farm products. Marketable surplus is very low of these small farmers. They cannot make improvements on land due to shortage of credit and small size of holdings. Lack of adequate storage facility has caused them for immediate sale of their products. To supplement to this, lack of withholding capacity is fetching them low price.

To overcome these problems they suggested measures like introduction of grading system, auction sales, provision of storage facility, adequate credit facility, and minimum support prices.

2.6. Regulated markets

Various studies on Regulated marketing are conducted by number of scholars. Mention may be made of Chaudhary (1970) Joshi (1971) Harriss (1980), Talukdar (1984), Prasad (1985) Saxena (1992), Yadav & Yadav (1996). These authors have studied on various aspects of regulated markets in India.

Barabara Haris (1974) worked on regulated food grain market a critique, Role of Punjab markets as growth centers (Geographical Journal Vol.140), working paper on how to study agricultural marketing and how not to study it (Madras Inst of Dev studies) working paper no. 7, Madras Inst of Dev Studies) are the classical works useful for geographical study. She dealt with the spatial distribution size and structure of mandies.

S.K. Patel (1992) in his book on 'Production and marketing of Tobacco'a case study of Kheda in Gujarat' suggested that

1. Government agency should constitute vigilance cells to rigorously enforce the voucher system.
2. Evolve suitable grades for bidi tobacco and effective education to the farmer in grading system should be organized.

3. Rigorous implementation of use of standard weights and measures.
4. Establish rural godowns to solve the problem of scarce storage facility.
5. Judicious regulation in tobacco prices.
6. Formation of co-operative bidi tobacco growers is the important and feasible alternative to solve the problem of tobacco growers.

Y.Ramakrishna (2002) in his book rural marketing stated the different defects of regulated markets like

1) Problems of location & publicity.
2) Presence of commissioning agents.
3) Payment of auction system.
4) Lack of incentives.
5) Defective transactions.

To overcome these problems the author suggested certain measures such as

1) Due publicity.
2) Abolition of commission agents.
3) Regularity in payments.
4) Proper supervision and vigilance.
5) Provision of incentives.
6) Regulation in transactions.

The author pointing out the significance of regulated markets points out that it helps in eradicating mal practices, rationalizes market charges conditions for perfect competition prevail etc.

Minajul Hoda (2006) in his book "Agricultural marketing in backwards regions a case study Araria Dist of Bihar" observed that the spatial temporal pattern of marketed surplus in selected regulated and periodic markets of the district. The author has studied the different forms of price behaviors for six selected crops.

The Scholar observed that in developing countries, lack of proper marketing services, un-graded and non standardized commodities, poor and unscientific packaging and methods of transport, absence of public market and warehouses, unbalanced production, lack of market information, unfair practices of middlemen and bad credit facilities were the most important causes of inefficient marketing. The problems of inadequate transport, network, storage and grading facilities are the greatest hurdles in the marketing. He suggested the following measures;

1) Function of marketing should give goods form utility and place utility to the farmer's produce.
2) Grading should be performed by neutral parties, Government agencies or by private dealers.
3) Adequate and cheap transport facilities and supply should be made available.
4) To contact distant consumers, an intermediary agency should be established between the producer & consumer.

R.S.Dixit in his book on the study of 'Regulated Agricultural marketing in Rajasthan' he concentrated on the regulated markets works under a set of rules and regulations with the aim of curbing the mal practices. The primary objective of regulated market is to regulate the same and purchase of the specified agricultural produce, healthy competitions, ensuring a fair dealing between producer and seller/farmer and trader/ purchaser, provide amenities to the functionaries and ultimately help to realize a better reward to the farmer.

The author characterizes the market as under.

1. These markets work on auction basis.
2. The auction of various salable agricultural products is done after proper cleaning and grading of the sale.
3. The sale takes place only with the wishes of the producer/ seller/farmer.

4. The entire cost is paid to the farmer immediately.
5. The produce is weighed through metric system.
6. No traditional/rural weights are used
7. All the traditional deductions made in the name of dust, stuff, Dharmada, Goshala etc are declared illegally.

Summary on regulated markets.

Numbers of scholars have worked on regulated markets. Keeping in view the objectives of the study, few works have been referred and the observations found were

The traditional system of marketing of agricultural products was selling through the village trader/commission agent. The farmers have suffered due to prevalence of imperfections in the market. To overcome these problems and to improve marketing conditions, to increase the bargaining power of producer/sellers establishment of regulated markets all over the country is felt necessary.

In these regulated markets, the farmer is able to sell his products in the presence of several buyers through auction system. The sale takes place only after grading the produce. Another important feature of the regulated market is that, the sale take place only at the wishes of the farmer. The products are weighed through scientific measurement methods. Again if the product is not sold, the farmer can store the commodity and wait till he gets better price for his products.

The regulated markets according to the scholars have other advantages like availability of market information, reduction of unnecessary charges, immediate cash payment and low marketing costs. In regulated markets the authors opined that the monetary gains of the producer/seller increases, which helps to increase the economic and social status of the farmer. More significantly the significance of middlemen found the traditional marketing system is reduced to a great extent. In all it helps to protect the interest of the

farmer, so the opinion of the scholars has been imbibed in the present study. Whatever benefits gained by the producer/seller of the chillies in the study area, be also available to the producer of tobacco who is selling in the unregulated market.

2.7 Storage, Warehousing and Processing

Alaouze *et al.* (1978) used dynamic programming to examine whether Australia should store wheat for subsequent sale at higher prices or not. The dynamic programming model was developed assuming that the demand for Australian wheat is perfectly elastic at the world price. The major conclusions of the study were : (a) Apart from interest rate, the most important factor affecting storage in any season was the price in the following season (b) the holding of a speculative reserve to be sold in seasons of episodic price increased was generally unwarranted (c) the optimal policies associated with simulations of the historical price series observed for the period 1953-54 to 1971-72 (when Australian wheat prices had a stable mean and a low variance) indicate that a storage policy based on storing wheat in seasons of below average prices would have been wrong more than half a time.

Mohandoss *et al.* (1979) analyzed the relative performance of Government (1%),cooperative (5%) and private agencies (94%) in running the cold stores in terms of capacity utilization, profitability, commitment to serving primary producers and administration, based on data collected from six fruit and vegetable cold stores in Bangalore city relating to the years 1975-76 to 1977-78. In terms of capacity utilization, profitability and management, the private sector performed better than the other two sectors. The bad business performance of the cooperative unit was mainly due to mismanagement, while in the case of the government unit it was due to faulty planning and administration. In terms of meeting the cold storage needs of primary producers and to some extent of the agriculturists, the cooperative unit performed well. It was found that the private units were not willing to accept certain kinds of produce like potatoes from farmers. Under such circumstances, the

responsibility of protecting the producer's interest lies with cooperative and government sectors. However, the management units in these sectors should be improved to make them function efficiently.

Raheja and Mehrothra (1980) found that, of the total production of food grains for *kharif* and *rabi* seasons, 26 per cent and 60 per cent respectively were stored by farmers for various purposes like home consumption, seed, delayed sale or use for payment in kind and animal feed. The proportion of production kept for storage showed a declining trend assize of holding increased although the absolute quantity stored was positively associated with the size of holding. Separate storage structures were used only on large land holding. Traditional containers were used by 75 per cent of those without separate storage rooms and those were much more liable to damage and loss because of rodents and moisture, being the major destructive forces. Metal bins were used only by 25 per cent of farmers but 80 per cent of cultivators were not satisfied with their existing storage facilities and were keen to change.

Recto (1980) undertook a study with the aim of improving the paddy/rice marketing system by determining optimal sizes and locations of warehouses and investigating ways by which the marketing costs of the product could be minimized. He examined the transport and storage systems in each of the 13 regions of Philippines during 1975-77. He found that warehousing facilities were inefficiently located, with shortages of storage facilities in some regions and surpluses in others. There had been an improvement in the production of rice, but there was a corresponding improvement in marketing infrastructures and services. A large amount of the crop could be lost through inefficient handling and processing.

Reddy and Narasimhan (1980) found that locating of the colossal godowns of Central Warehousing Corporation adjacent to the market yard of the Hindupur regulated market was for the best advantage of growers and traders.

Samajpati *et al.* (1980) compared low cost structures for storage of paddy by farmers in Bangladesh and showed that oval bins made of bamboo splits and plastered with mud and cowdung were the most suitable.

Saxena and Mathur (1980) examined the relationship between seasonal price variation and profitability of storage of wheat and relative economics of various methods of storage, using data collected from a sample of 148 cultivators of Bitchpuri block, Agra, Uttar Pradesh for the year 1974-75. Three methods of storage, bulk, bag and kuthila were analyzed. Storage cost per quintal was lowest with kuthila method, but it was not a scientific method of storage since losses were maximum in this method and only small farmers adopted it, having only a small amount of marketable surplus. With the bulk method, the cost of storage was less than with the bag method. The storage cost increased with the increase in the period of storage, with all the three methods of storage. The bulk method of storage was more profitable to farmers than the bag and kuthila method of storage. With the bag method of storage, the cost of storage was maximum. Storage profit showed a direct relationship between seasonal price variation and period of storage mainly due to a rise in prices.

Rehman (1985) observed that there were 107 agro-based industrial units in Baduan district of Uttar Pradesh based on crops like oilseeds, pulses, sugarcane, potato and mentha. He pointed out that these agro-industrial units together provided employment for about 3,398 people annually. He also assessed a great potential for future agro-industrial expansion in the above district.

Hemachand (1989) in his study on economics of processing of arhar in Narasinghpur district of Madhya Pradesh found that the main problems of the processors were short supply of raw materials, frequent shedding of power and inefficient technology which together ultimately lead to lower capacity utilization and declining output.

Srivastava (1989) indicated that, with subsequent secondary and tertiary processing of various raw materials, the value added as well as the price of

finished products would increased. He observed that agro-processing units accounted for 39 per cent of the total factories in the study area. He noticed capital productivity ratio in agro-industries was almost the double (0.7) than the non-agro based industries (0.35). While labour productivity was less than half when compared to non-agro based industries.

Nagesh (1990) found that major problems faced by the groundnut processors in Karnataka were high competition among the existing processors, short supply of raw materials, frequent price fluctuations, non-availability of skilled labour and high taxes.

Venkatasheshaiah (1992) in his study on groundnut processing units in Andhra Pradesh identified stiff competition among the processors for getting the required raw materials, frequent power shedding, high taxation, low product recovery and non availability of efficient technology at an affordable costs as the major problems associated with their business.

Mangal Singh (1995) studied the strategies for effective management of sugar factories in India. He found that lack of quality raw material, efficient technology and professionally trained management personnel at different levels of organizational structure as the main problems of the study. He observed these problems as firm's internal problems and similarly pointed to the firm's external problem such as governments pricing policies.

Sharma *et al.* (1995) in his study on marketing of vegetables in Solan district of Himachal Pradesh, observed the problems of cultivators during storage, transportation and marketing of these crops. They pointed out some of the major problems like costly wooden boxes, time consuming manual grading, distant markets, high transportation charges, malpractices in the market and lack of market information. It was observed that about 90 percent of growers were facing the problem of distant market, lack of standard grade was reported by about 37 per cent of cultivators and costly packing material was reported as problem by 75 per cent of cultivators. It was thus suggested that the market

information should be announced through mass media like radio/TV and also through pamphlets.

Rai *et al.* (1996) examined the potentials and problems of agro-processing industries in Haryana state and revealed that there is a tremendous scope for agro-processing industries in Haryana where the supply of raw materials, processing units and marketing are not serious problems. Infrastructural facilities in the state are reasonably well developed. The future potential of developing agro-processing industries lies in wheat milling, rice milling, feed and concentrate industry, edible oil, cotton processing and sugarcane milling.

Singh and Singh (1996) studied the performance of agro-processing units in Punjab and revealed that failure of these industries on the market front in terms of brand is the major problem. Further, they opined that any such failure ultimately put a question mark on the very survival of the industry or unit under consideration.

Brahmaprakash and Dinesh Kumar (1997) in their study on Infrastructural requirements for establishment, development and operation of agro-based industries in rural areas opined that lack of market information, storage and transportation, timely and adequate financial support and post-harvest technology were the major-problems to realize the rural projects in India.

Jagadish Prasad (1997) conducted a case study on three sets of marketing Institutions viz., public institutions, cooperative organizations and private trade in Ranchi district of Bihar to identify the problems and prospects of vegetables marketing and on the basis of findings to suggest suitable strategies for improving its efficiency. It was observed that in case of cooperative marketing institutions, the financial position was not sound. Lack of infrastructural facilities for better marketing of vegetables and also lack of storage facilities were highly essential to avoid market gluts.

Roy (1997) opined that lower capacity utilization of the agro-based industries was reasoned by lack of infrastructural facilities such as transportation, storage and technology for post-harvest handling. He also opined that lack of integrated network between the producer-farmers was a problem of the agro-based industries.

Patil (1998) in her study on performance evaluation of fruit and vegetable processing units in North Karnataka indicated that lack of availability of raw material, irregular power supply, high taxation for the commodities and lack of modernization of machines as the major constraints observed in fruit and vegetable processing units.

Raman Dev (1998) in his study on business performance analysis and appraisal of Cashew nut processing units in Uttara -Kannada district of Karnataka identified high taxation, short supply of raw materials, non-availability of skilled labour, unfavorable Government policies and marketing system as the major problems as conceived by the industry.

Mallick and Mallick (1998) in their study on the functioning of Orissa State Warehousing Corporations observed that the Corporation stored merchandise of the Government, Government sponsored organizations like Food Corporation of India, Fertilizer companies, cooperatives, etc. to the extent of 98 per cent of total stocks handled in their godowns and warehouses.

Chidri (1999) in his study on management of agro-processing units in Karnataka, indicated that the high taxation, high procurement cost, irregular power supply, inadequate finance, irregular labour supply and marketing of finished products are themajor problems faced by the tur processing units.

Ashraf Ali (2000) in his study on business performance of cooperative oil mills noticed that non-availability of raw materials in sufficient quantity and in desired quality was the most important problem faced by the large and medium scale units followed by lack of infrastructural facilities as the second in order.

Kavitha (2000) documented agro-processing units/industries in different taluks of Uttar Kannada district. She stated about the number of agro-processing units/industries in different taluks of Uttar Kannada district along with their investment. Totally 531agroprocessingunits have been identified, which included rice mills, cashew processing units, bakeries (bread), soft drinks and ice-cream, flour mills, oil mills, papad and chips, processed(scented) supari, medicinal and aromatic plants processing units, areca leaf up units, honey processing units, pickle making units, poultry farm, aquaculture, textiles, wood and wood based industries and other industries which include 27 units.

Sharma (2002) in his study on the role of Rajasthan State Warehousing Corporation (RSWC) in providing scientific storage observed that the Corporation has been able to meet the basic objectives of providing scientific storage facilities to agricultural produce at cheaper storage charges in the state. He reported that the corporation not only used its own capacity up to an optimum but also hired the same from other agencies. The study revealed that fertilizers and food grains were stored in large quantities and RSWC has not been able to attract commercial crops for storage and the poverty stricken agriculturist in Rajasthan was selling them at the price fixed by the traders.

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Processing

Lalith (1978) studied economics of Tea in Nilgiris of Tamil Nadu and worked out the cost of manufacturing of tea. He categorized the factories into the factories attached to large estates and the bought leaf factories. The bought leaf factories were further divided into cooperative factories and private factories. The results revealed that the excise duty formed the single largest item of expenditure in the manufacture in high grown areas accounting for 29.40 per cent, whereas in low grown area it was only 11.79 per cent of the total manufacturing cost. The out turn of the manufacture was 24.05 per cent, 25 per cent in high grown and low grown areas respectively.

The out turn of the box area factories in high and low grown area almost same (about 25.50%). Fuel and electricity accounted for largest expenditure

next to excise duty in (high grown area) tea factories attached to estates in high grown areas. The total cost of manufacture was Rs. 374.21 and Rs. 376.16 for high grown and low grown areas, respectively. Wages accounted for 7.87 per cent of total cost of manufacture in large factories of high grown areas and 9.41 per cent of the total in the low grown areas. Among the bought leaf factories the cost of manufacture of tea was Rs. 347.87 and Rs. 308.94 per kg in high grown and low grown areas respectively. Here also excise duty accounted for major portion of the manufacturing cost.

Cost of packing materials was the major item of expenditure in bought leaf factories of low grown areas accounting for 15.25 per cent.

Rajeevan *et al.* (1997) analyzed the performance of bush jasmine cultivation which offered promising opportunities under small holdings situation and where land considered as the most limiting production factor. The study inferred that the small and marginal farmers could undertake its cultivation and marketing as a supplementary enterprise, in order to utilizing under employed/unemployed family labour, especially women labour. It states that bush jasmine cultivation was more feasible because of the initial capital investment required at the initial stage is low

Vidhya (2006) studied "potential of cut-flower production in India, the result revealed that, India travelled a long floriculture history and flower growing is an age old enterprise however, what lacked was its commercialization, to put forth the coming challenges and to meet out the growing demands of flowers in the domestic as well as the export market. The study suggested putting concerted effort on the part of the government as well as the private entrepreneurs to develop floriculture on scientific lines. To achieve his greater emphasis need to be laid on the development of suitable practices to ensure quality input supply and better remunerative management to create entrepreneur friendly environment.

Vidhya (2006) in her study on "potential of cut flower production in India" revealed that the production constraints requirements of scientific and

commercial floriculture have been not properly understood by the growers hence, suggested to pay an attention to obtain all information relating to the flower marketing and infrastructure facilities provided by agencies, for effective management of constraints experienced during production process.

Summary on storage, warehousing and processing.

Having reviewed several authors on the topic it is observed that, storage helps to preserve the goods from the time they are produced to the time they are needed for consumption. Storage helps in protecting the goods from deterioration and it also makes available the goods from time of surplus supplies to the time of scarcity. Storage also helps the farmer to adjust the commodity according to demand and supply it. Accordingly there by getting higher price for his products.

Warehousing on the other hand helps to protect from deterioration of quality as it is done scientifically. Storage and warehousing facilities if made available to the producer distress sale is stopped.

Processing on the other hand adds value to the product produced by the farmer by changing its form. Earlier farm products were sold in unprocessed form, which use to fetch low price to the producer/farmer. Processing also helps to increase total revenue of the producer. It generates employment opportunities. Processed commodities are sold in distant markets. It also satisfies the consumers as commodity is available in the form in which he needs, there by save his time

CHAPTER-III

AGRICULTURAL MARKETING IN INDIA

In the following chapter the concept of agricultural marketing, importance, objectives, methods of marketing, conditions for good marketing and inadequacies of present marketing system are discussed

3.01 Introduction

During the period of early civilizations, man learnt to cultivate different crops to feed his family and domesticated animals. He was self sufficient in his production and met all his requirements. Later on, he started producing for the society around him and exchanged his products for the others in the form of barter. During this period the society as a whole was self sufficient. As the time passed, he specialized either in production of crops or artisanship, which further improved efficiency in production and services. Later on, kingdoms, legendaries and provinces came into existence, further to the present status of states and countries.

In India, agriculture was practiced formerly on a subsistence basis; the villages were self sufficient, people exchanged their goods, and services within the village on a barter basis. With the development of means of transport and storage facilities, agriculture has become commercial in character; the farmer grows those crops that fetch a better price. Marketing of agricultural produce is considered as an integral part of agriculture, since an agriculturist is encouraged to make more investment and to increase production. Thus there is an increasing awareness that it is not enough to produce a crop or animal product; it must be marketed as well.

Agricultural marketing involves in its simplest form the buying and selling of agricultural produce. This definition of agricultural marketing may be accepted in olden days, when the village economy was more or less self-sufficient, when the marketing of agricultural produce presented no difficulty,

as the farmer sold his produce directly to the consumer on a cash or barter basis. But, in modem times, marketing of agricultural produce is different from that of olden days. In modem marketing, agricultural produce has to undergo a series of transfers or exchanges from one hand to another before it finally reaches the consumer.

The term agricultural marketing is composed of two words agriculture and marketing. Agriculture, in the broadest sense means activities aimed at the use of natural resources for human welfare, and marketing connotes a series of activities involved in moving the goods from the point of production to the point of consumption. Specification, the subject of agricultural marketing includes marketing functions, agencies, channels, efficiency and cost, price spread and market integration, producer's surplus etc. The agricultural marketing system is a link between the farm and the non-farm sectors.

The National Commission on Agriculture defined agricultural marketing as a process which starts with a decision to produce a saleable farm commodity and it involves all aspects of market structure of system, both functional and institutional, based on technical and economic considerations and includes pre and post- harvest operations, assembling, grading, storage, transportation and distribution. The Indian Council of Agricultural Research envisaged involvement of three important functions, namely (a) assembling (concentration) (b) preparation for consumption (processing) and (c) distribution.

3.02 Importance and Objectives of Agriculture Marketing

The farmer has realized the importance of adopting new techniques of production and is making efforts for more income and higher standards of living. As a consequence, the cropping pattern is no longer dictated by what he needs for his own personal consumption, as in subsistence farming, but what is responsive to the market in terms of prices received by him. Farmer is not conversant with the complexities of the marketing system which is becoming more and more complicated. The cultivator is handicapped by several

disabilities as a seller. He sells his produce at an unfavorable place, time and price.

The objectives of an efficient marketing system are:

1. To enable the primary producers to get the best possible returns,
2. To provide facilities for lifting all produce, the farmers are willing, to sell at an incentive price,
3. To reduce the price difference between the primary producer and ultimate consumer, and
4. To make available all products of farm origin to consumers at reasonable price without impairing on the quality of the produce

3.03 Facilities Needed for Agricultural Marketing

In order to have best advantage in marketing of his agricultural produce the farmer should enjoy certain basic facilities.

1. He should have proper facilities for storing his goods.
2. He should have holding capacity, in the sense, that he should be able to wait for times when he could get better prices for his produce and not dispose of his stocks immediately after the harvest when the prices are very low.
3. He should have adequate and cheap transport facilities which could enable him to take his surplus produce to the mandi rather than dispose it of in the village itself to the village money-lender-cum-merchant at low prices.
4. He should have clear information regarding the market conditions as well as about the ruling prices, otherwise may be cheated. There should be organized and regulated markets where the farmer will not be cheated by the -dalals- and -arhatiyas.

5. The number of intermediaries should be as small as possible, so that the middleman's profits are reduced. This increases! the returns to the farmers.

3.04 Inadequacies of Present Indian Marketing System

Indian system of agricultural marketing suffers from a number of defects. As a consequence, the Indian farmer is deprived 'of a fair price for his produce. The main defects of the agricultural marketing system are discussed here.

(a) Improper warehouses

There is absence of proper warehousing facilities in the villages. Therefore, the farmer is compelled to store his products in pits, mud-vessels, "Kutcha" storehouses, etc. These unscientific methods of storing lead to considerable wastage. Approximately 1.5% of the produce gets rotten and becomes unfit for human consumption. Due to this reason supply in the village market increases substantially immediately after harvest of the crops and the farmers are not able to get a fair price for their produce. The setting up of Central Warehousing Corporation and State Warehousing Corporation has improved the situation to some extent. In the XI five year plan, encouragement is given for establishment of rural godowns.

(b) Lack of grading and standardization

Different varieties of agricultural produce are not graded properly. The practice usually prevalent is the one known as "dara" sales wherein heap of all qualities of produce are sold in one common lot Thus the farmer producing better qualities is not assured of a better price. Hence there is no incentive to use better seeds and produce better varieties.

(c) Inadequate transport facilities

Transport facilities are highly inadequate in India even today. Only a small number of villages are joined by railways and pucca roads to mandies. Produce has to be carried on slow moving transport vehicles like bullock carts

and tractors. Obviously such means of transport cannot be used to carry produce to far-off places and the farmer has to dump his produce in nearby markets even if the price obtained in these markets is considerably low. This is even more true with perishable commodities.

(d) Presence of a large number of middlemen

The chain of middlemen in the agricultural marketing is so large that the share of farmers is reduced substantially. For instance, the farmers obtain only about 53% of the price of rice, 31% being the share of middle men (the remaining 16% being the marketing cost). In the case of vegetables and fruits the share was even less, 39% in the former case and 34% in the latter. The share of middle- men in the case of vegetables was 29.5% and in the case of fruits was 46.5%. Some of the intermediaries in the agricultural marketing system are -village traders, Kutcha arhatiyas, pucca arhatiyas, brokers, wholesalers, retailers, money lenders, etc.

(e) Malpractices in unregulated markets

Even now the number of unregulated markets in the country is substantially large. Arhatiyas and brokers, taking advantage of the ignorance, and illiteracy of the farmers, use unfair means to cheat them. The farmers are required to pay arhat (pledging charge) to the arhatiyas, "tulaii" (weight charge) for weighing the produce, "palledari" to unload the bullock-carts and for doing other miscellaneous types of allied works, "garda" for impurities in the produce, and a number of other undefined and unspecified charges. Another malpractice in the mandies relates to the use of wrong weights and measures in the regulated markets. Wrong weights continue to be used in some unregulated markets with the object of cheating the farmers.

(f) Inadequate market information

It is often not possible for the farmers to obtain information on exact market prices in different markets. So, they accept, whatever price the traders offer to them. With a view to tackle this problem the government is using the

radio and television media to broadcast market prices regularly. The news papers also keep the farmers posted with the latest changes in prices. However the price quotations are sometimes not reliable and sometimes have a great time-lag. The trader generally offers less than the price quoted by the government news media.

(g) Inadequate credit facilities

Indian farmer, being poor, tries to sell off the produce immediately after the crop is harvested though prices at that time are very low. The safeguard of the farmer from such "forced sales" is to provide him credit so that he can wait for better times and better prices. Since such credit facilities are not available, the farmers are forced to take loans from money lenders, while agreeing to pledge their produce to them at less than market prices. The co-operative marketing societies have generally catered to the needs of the large farmers and the small farmers are left at the mercy of the money lenders.

Thus it is not possible to view the present agricultural marketing in India in isolation of (and separated from) the land relations. The regulation of markets broadcasting of prices by All India Radio, improvements in transport system, etc., have undoubtedly benefited the capitalist farmers, and they are now in a better position to obtain favourable prices for their "market produce" but the above mentioned changes have not benefited the small and marginal farmers to any great extent.

3.05 Characteristics of Agricultural Product:

Agricultural products differ in nature and contents from industrial goods in the following respects.

1. Agricultural products tend to be bulky and their weight and volume are great for their value in comparison with many industrial goods.
2. The demand on storage and transport facilities is heavier, and more specialized in case of agricultural products than in the case of manufactured commodities.

3. Agricultural commodities are comparatively more perishable than industrial goods. Although some crops such as rice and paddy retain their quality for long time, most of the farm products are perishable and cannot remain long on the way to the final consumer without suffering loss and deterioration in quality.

4. There are certain agricultural products such as mangoes and grapes which are available only in their seasons but this condition of seasonal availability is not found in the case of industrial goods.

5. Agricultural produce is to be found scattered over a vast geographical area and as such its collection poses a serious problem. But such is not condition in the case of industrial goods.

6. There are various kinds and varieties in farm produce and so it is difficult to grade them.

7. The farmer especially in countries like India has low holding-back. Therefore he has to sell his produce immediately after the harvest at whatever price he can fetch because of his pressing needs.

8. Finally, both demand and supply of agricultural products are inelastic. A bumper crop, without any minimum guaranteed support price from the government may spell disaster for the farmer. Similarly the farmer may not really be in a position to take advantage of shortages or deficit crop. These benefits may pass on only to the middleman.

3.06 Methods of Sale and Marketing Agencies

The marketing of agricultural produce is generally transacted in one of the following ways.

(a) *Under cover or the Hatta System*

Under this system, the sale is affected by twisting or clasping the fingers of the sellers agent under cover of a cloth. The cultivator is not taken into confidence until the final bid is cleared.

(b) ***Open auction system***

Under this system the agent invites bids for the produce and to the highest bidder the produce is sold.

(c) ***Dara system***

Another related system is to keep the heaps of grains of different quantities and sell them at fiat rates without indulging in weighment, etc.

(d) ***Moghum sale***

Under this system, sale is based on the verbal understanding between buyers and sellers and without mentioning the rate as it is understood that the buyers will pay the prevailing rate.

(e) ***Private agreement***

The seller may invite offers for his produce and may sell to one who might have offered the highest price for the produce.

(f) ***Government purchase***

The government agencies lay down fixed prices for different qualities of agriculture commodities. The sale is affected after a gradual processing for gradation and proper weigment. This practice is also followed in co-operative and regulated markets.

(g) ***Marketing agencies***

The various agencies engaged in the marketing of agricultural produce can be classified into two categories, viz., (i) government and quasi private agencies like the co-operative societies and (ii) private agencies. A chain of middlemen may be found operating both in Government and private agencies. The more important among these are as follows:-

a. Merchant is the most usual purchaser of the produce, he deals in his individual capacity.
b. Itinerant merchants visit villages, collect the produce, and take to the nearest market.

c. Take the weighing men from the villages to the dealers in town.

d. Agents are concerned with the assembling and distribution of agricultural produce.

3.07 Agricultural Marketing systems in India

The existing systems of agricultural marketing in India are briefly described here.

(a) *Sale to moneylenders and traders*

A considerable part of the total produce is sold by the farmers to the village traders and moneylenders. It is reported that, about 85% of wheat, 75% of oil seeds in Uttar Pradesh, 90% of jute in West Bengal and 60% of wheat, 70% of oil seeds and 35% of cotton in Punjab are sold by the farmers in the villages themselves. Often the money lenders act as a commission agent of the wholesale trader.

(b) *Hats and shandies*

Hats are village markets often held once or twice a week, while shandies are also village markets held at longer intervals or on special occasions. The agents of the wholesale merchants, operating in different mandies also visit these markets.

The area covered by a "hat" usually varies from 10 to 20 kilometers. Most of "hats" are very poorly equipped, are uncovered and lack storage, drainage, and other facilities. It is important to observe that only small and marginal farmers sell their produce in such markets. The big farmers with large surplus go to the larger wholesale markets.

(c) *Mandies or wholesale markets*

One wholesale market often serves a number of villages and is generally located in a city. In such mandies, business is carried on by arhatiyas. The farmers sell their produce to these arhatiyas with the help of brokers, who are generally the agents of arhatiyas. Because of the malpractices of these

middlemen, problems of transporting the produce from villages to mandies, the small and marginal farmers are hesitant of coming to these mandies.

The arhatiyas of these mandies sell off the produce to the retail merchants. However, paddy, cotton and oilseeds are sold off to the mills for processing. The marketing system for sugarcane is different. The farmers sell their produce directly to the sugar mills.

(d) ***Co-operative marketing***

To improve the efficiency of the agricultural marketing and to save farmers from the exploitation and malpractices of middlemen, emphasis has been laid on the development of co-operative marketing societies. Such societies are formed by farmers to take advantage of collective bargaining.

A marketing society collects surplus from it members and sell it in the mandi collectively. This improves the bargaining power of the members and they are able to obtain a better price for the produce. In addition to the sale of produce, these societies also serve the members in a number of other ways.

3.08 Improvement of Agricultural Marketing System

Government of India has adopted a number of measures to improve agricultural marketing, the important ones being - establishment of regulated markets, construction of warehouses, provision for grading, and standardization of produce, standardization of weight and measures, daily broadcasting of market prices of agricultural crops on All India Radio, improvement of transport facilities, etc.

(i) Marketing surveys

In the first place the government has undertaken marketing surveys of various goods and has published these surveys. These surveys have brought out the various problems connected with the marketing of goods and have made suggestions for their removal.

(ii) Grading and standardization

The government has done much to grade and standardize many agricultural goods. Under the Agricultural Produce (Grading and Marketing)

Act the Government has set up grading stations for commodities like ghee, flour, eggs, etc. The graded goods are stamped with the seal of the Agricultural Marketing Department -AGMARK The «Agmark" goods have a wider market and command better prices.

A Central Quality Control Laboratory has been set up at Nagpur and eight other regional laboratories in different parts of the country with the purpose of testing the quality and quality of agricultural products applying for the Government's "Agmark" have been created The Government is further streamlining quality control enforcement and inspection and improvement in grading.

(iii) Organization of regulated markets

Regulated markets have been organized with a view to protect the farmers from the malpractices of sellers and brokers. The management of such markets is done by a market committee which has nominees of the State Government, local bodies, arhatiyas, brokers and farmers. Thus all interests are represented on the committee. These committees are appointed by the Government for a specified period of time. Important functions performed by the committees can be summarized as follows.

a. Fixation of charges for weighing, brokerages, etc.,
b. Prevention of unauthorized deductions, underhand dealings, and wrong practices by the arhatiyas,
c. Enforcing the use of standardized weights,
d. Providing up to date and reliable market information to the farmers, and
e. Settling of disputes among the parties arising out of market operations.

The system of regulated markets has been found to be very useful in removing fraudulent practices followed by brokers and commission agents and in standardizing market practices. The committee is responsible for the licensing of brokers and weightmen. It is nested with powers to punish anyone who is found guilty of dishonest and fraudulent practices. 1t is the policy of the government to convert all markets in the country into the regulated type.

Regulated markets aim at the development of the marketing structure to have the following.

1) Ensure remunerative price to the producer of agricultural commodities,

2) Reduce non functional margins of the traders and commission agents, and

3) Narrow down the price spread between the producer and the consumer.

To achieve these objectives, the government would go in for comprehensive and rapid expansion of regulated marketing systems. The success achieved in states like Punjab and Haryana, where regulated markets have been established in major producing areas with linked up satellite markets in the rural growth centres would be aimed at, in other areas where intensive production is taken up. The regulating marketing system has also proved a good source of generating income for the marketing boards and for use in rural infrastructure. The regulated market complex will also include facilities for grading and for monitoring of prices.

The development of regulated markets is proposed especially in areas where commercial crops like cotton, jute, tobacco and important non-traditional crops are produced and sold in weekly markets and hats. Co-operative marketing and distribution and banking will also be linked with the regulated markets. These markets will cover all the major crops. Separate market yards are proposed for livestock, fish, fruits and vegetables.

There are now over than 6,050 regulated markets with the establishment of these regulated markets. The malpractices in mandies have disappeared and the market charges have been rationalized. As much as 70% of agricultural produce is now sold in regulated markets.

In this connection, the steps taken to standardize the weight and measures in the country should be mentioned. The government has successfully replaced the different systems of weights and measures prevalent in the country with the metric system.

(iv) Provision of warehousing facilities

To prevent distress sale by the farmers, particularly the small and marginal farmers, due to prevailing low prices, rural go downs have been set up. The government has done much to provide warehousing in towns and villages. The Central Warehousing Corporation was set up in 1957 with the purpose of constructing and running go downs and warehouses for the storage of agricultural produce. The states has set-up the State Warehousing Corporations with the same purpose. At present the Food Corporation is constructing its own network of go downs in different parts of the country. The total storage capacity in the country was 27 million tons at the end of the sixth plan.

(v) Dissemination of market information

The government has peen giving attention to the broadcasting of market information to the farmers. Since most villages have radio sets, these broadcasts are actually heard by farmers. The newspapers also publish agricultural prices either daily or weekly accompanied by a short review of trends.

(vi) Directorate of marketing and inspection

The directorate was set up by the Government of India to co-ordinate the agricultural marketing of various agencies and to advise the Central and State Governments on the problems of agricultural marketing. Activities of this directorate include the following.

a. Promotion of grading and standardization of agricultural and allied commodities;
b. Statutory regulation of markets and market practices;
c. Training of personnel;
d. Market extension;
e. Market research, survey and planning and
f. Administration of Old Storage Order, 1980 and Meat Food Products Order, 1973.

The directorate has so far formulated grade specification for 142 agricultural commodities. It enforces compulsory quality control before export on as many as 41 agricultural commodities. It is extending financial assistance to selected regulated markets for providing grading facilities for important commodities like tobacco, jute, cotton, groundnut and cashew nut at the producers level.

An allied task is the one related to marketing research and survey. This should aim at determination of best handling methods of produce to minimize losses, damage and costs, improved methods of wholesaling and retailing and planning for new marketing facilities at appropriate centres. With this aim in view, the Directorate is currently implementing two schemes.

(I) Market research and planning.

Under this scheme, the Directorate has been carrying out country-wide marketing surveys on live-stock and important agricultural and horticultural commodities to identify and study the problems of agricultural marketing.

(II) Market planning and design.

Under this scheme, the Directorate has set up a Marketing Planning and Design Centre at Faridabad and a training centre and Workshop at Nagpur to study the packaging grading and marketing of selected fruits and vegetable and also advise the authorities on the designing of fruits and vegetable markets.

(vii) Government purchases and fixation of support prices

In addition to the measures mentioned above, the Government also announces minimum support price for various agricultural commodities from time to time in a bid to ensure fair returns to the farmers. These prices are fixed in accordance with the recommendations of the Agricultural Price Commission.

If the prices start falling below the declared level (say, as a result of glut in the market), the Government agencies like the Food Corporation of India

intervene in the market to make direct purchase from the farmers at the support prices. These purchases are sold off by the Government at reasonable price through the public distribution system.

3.09 Cooperative Marketing System in India

Though the above measures have improved the system of agricultural marketing to some extent, a major part of the benefits has been derived by large farmers, who have adequate marketable surplus. However, the small and marginal farmers continue to sell a major part of their produce to moneylenders to meet their credit needs and these moneylenders offer them very low prices. Therefore it is essential to form cooperatives of the small and marginal farmers to enable them to obtain fair prices for their produce. The advantages that co-operative marketing can confer on the farmer are multifarious, some of which are listed below.

(i) Increases bargaining strength of the fanners

Many of the defects of the present agricultural marketing system arise because often one ignorant and illiterate farmer (as an individual) has to face well-organized mass of clever intermediaries. If the farmers join hands and for a co-operative, naturally they will be less prone to exploitation and malpractices. Instead of marketing their produce separately, they will market it together through one agency.

(ii) Direct dealing with final buyers

In cases, the co-operatives can altogether skip the intermediaries and enter into direct relations with the final buyers. This practice will eliminate exploiters and ensure fair prices to both the producers and the consumers.

(iii) Provision of credit

The marketing co-operative societies provide credit to the farmers to save them from the necessity of selling their produce immediately after harvesting. This ensures better returns to the farmers.

(iv) Easier and cheaper transport

Bulk transport of agricultural produce by the societies is often easier and cheaper. Sometimes the societies have their own means of transport. This further reduces cost and botheration of transporting produce to the market.

(v) Storage facilities

The co-operative marketing societies generally have storage facilities. Thus the farmers can wait for better prices. Also there is no danger to their crop yield from rains, rodents and thefts.

(vi) Grading and standardization

This task can be done more easily for a co-operative agency than for an individual farmer. For this purpose, they can seek assistance from the government or can even evolve their own grading arrangements.

(vii) Market intelligence

The co-operatives can arrange to obtain data on market prices, demand and supply and other related information from the markets on a regular basis and can plan their activities accordingly.

(viii) Influencing marketing prices

While previously the market prices were determined by the intermediaries and merchants and the helpless farmers were mere spectators force to accept, whatever was offered to them, the co-operative societies have changed the entire complexion of the game. Wherever strong marketing co-operative are operative, they have bargained for and have achieved, better prices for their agricultural produce.

(ix) Provision of inputs and consumer goods

The co-operative marketing societies can easily arrange for bulk purchase of agricultural inputs, like seeds, manures fertilizers etc. and consumer goods at relatively lower price and can then distribute them to the members.

(x) Processing of agricultural produce

The co-operative societies can undertake processing activities like crushing seeds, ginning 'and pressing of cotton, etc.

In addition to all these advantages, the co-operative marketing system can arouse the spirit of self-confidence and collective action in the farmers without which the programme of agricultural development, howsoever well conceived and implemented, holds no promise to success.

3.10 Warehousing in India

Warehousing facilities are necessary to prevent the loss arising out of defective storage and also to equip the farmers with a convenient instrument of credit. Both the Agricultural Finance Sub-Committee (1945) and the Rural Banking Enquiry Committee (1950) emphasized the importance of ware housing as a method of promoting rural banking and finance in India.

All India Rural Credit Survey Committee (1954) recommended a three tire system of warehousing: at the national level, state and district level, village and rural level. At present there are three main agencies in the public sector which are engaged in building large scale storage/warehousing capacity. They are: the Food Corporation of India (FCI), Central Warehousing Corporation (CWC), and State Warehousing Corporation (SWC).

FCI provides storage capacity for food grains. It has its own go downs and it also hires storage capacity from other sources such as CWC, SWC's, State Governments and private parties. In 1960-61, there were only 40 general warehouses in the countries with a total capacity of less than 0.1 million tones. By the end of 1988-89, the three public sector units has a storage capacity of nearly 32 million tones, which further enhanced to 78 million tones during 2009-10.

Besides, public sector agencies, co-operatives have also constructed warehouses in rural areas for storage of their members' produce, for stocking of fertilizers and other inputs and consumer articles. To avoid unfair competition

with the go downs of the co-operative marketing societies, the state warehousing corporations do not open warehouses at any place below the sub divisional level. A total storage capacity of over 10 million tones in the co-operative sector was available by 1987-88, which further increased to 56 million tones by 2009-10.

3.11 Ideal Marketing System

The ideal marketing system is one that maximizes the long run welfare of society. To do this, it must be physically efficient, otherwise the same output could be produced with fewer resources, and it must be elective efficient, otherwise a change in allocation could increase the total welfare and where income distribution is not a consideration.

For maximum physical efficiency, such basic physical functions as transportation, storage, and processing should be carried on in such a way so as to achieve the highest output per unit of cost incurred on them.

Similarly an ideal marketing system must allocate agricultural products in time, space and form to intermediaries and consumers in such proportions and at such prices as to ensure that no other allocation would make consumers better off. To achieve this condition, prices throughout the marketing system must be efficient and must at the same time be equal to the marginal costs of production and marginal consumer utility.

The following characteristics should exist in a good marketing system.

1. There should not be any government interference in free and market transactions. The method of intervention include, restrictions on food grain movements, restrictions on the quantity to be processed, or on the construction of processing plant, price supports, rationing, price ceiling, entry of persons in the trade, etc.

   When these conditions are violated, the inefficiency in the market system creeps in and commodities pass into the black market. They are not then easily available at the fair prices.

2. The marketing system should operate on the basis of the independent, but systematic and orderly, decisions of the millions of the individual consumer and producers whose lives are affected by it.

3. The marketing system should be capable of developing into an intricate and far-flung marketing system in view of the rapid development of the urban industrial economy.

4. The marketing system should bring demand and supply together and should establish equilibrium between the two.

5. The marketing system should be able to generate employment by ensuring the development of processing industries and convincing the people to consume more processed foods, consistent with their tastes, habits and income levels.

(a) Scientific Marketing of Farm Products

The tendency among the farmers to market their produce has been increasing. Production is complete only when the produce is marketed at a price remunerative to the farmer. Increasing specialization in production of higher marketable/ marketed surplus of the produce and alternative channels of marketing have increased the importance of the marketing activity for the farmers. However, marketing activity should be guided by certain basic principles which are briefly explained. The farmers can gain more if they follow the following principles of scientific marketing.

1. ***Always bring the produce for sale after cleaning it***

Impurities, when present, lower the price offered by the traders-buyers in the market. The fall in price is more than the extent of impurity present in the produce would warrant. Clean produce attracts more buyers.

2. ***Sell different qualities of products separately***

The produce of different varieties should be marketed separately. It has been observed that when different varieties of products are marketed

separately, the farmers get a higher price because of the buyers preference for specific varieties.

3. ***Sell the produce after grading it***

Graded produce is sold off quickly. The additional income generated by the adoption of grading and standardization is more than the cost incurred in the process of grading and standardization. This shows that there is an incentive for the farmers for the production of good quality products.

4. ***Keep abreast of market information***

Price information helps him to take decisions about when and where to sell the produce, so that a better price may be obtained.

5. ***Carry bags/packs of standard weights***

Farmers should weigh their produce and fill each bag with a fixed quantity. Majority of the farmers do not weigh their produce before taking it for sale and suffer loss by way of a possible malpractice in weighing, or they may have to make excess payments in transit (octroi, transport costs, etc.).

6. ***Avoid immediate post-harvest sales***

The prices of the produce touch the lowest level in the peak marketing season. Farmers can get better prices by availing of warehouses facilities existing in their areas. Farmers can meet their cash needs by pledging the warehouse receipt to nationalized banks.

*7. **Patronize co-operative marketing societies***

Farmers can get better prices by sales through a cooperative and marketing society and can avoid the possibility of being cheated. The cost of marketing particularly the transportation cost for farmers having a small quantity of marketable surplus, is minimized, for transportation is arranged co-operatively by the society and the profit earned by the society is shared among its members.

8. Sell the produce in regulated markets

The farmers should take their produce for sale to the nearly regulated markets rather than sell them in village or unregulated markets. In regulated markets marketing charges are on very few items. They get the sales slips in the regulated markets, which show the quantity of the produce marketed and the amount of charges deducted from the values of the produce. Sales slips protect farmers against the malpractices of deliberate erroneous accounting or unauthorized deductions.

(b) A good marketing system

A good marketing system is one, where the farmer is assured of a fair price for his produce and this can happen only when the following conditions are obtained.

1. The number of intermediaries between the farmer and the consumer should be small;
2. The farmer has proper storing facilities so that he is not compelled to indulge in distress sales,
3. Efficient transport facilities are available
4. The malpractices of middlemen are regulated
5. Farmers are freed from the clutches of village moneylenders and
6. Regular market information is provided to the farmer.

The two institutions, Co-operative marketing societies and regulated markets, together can assure the presence of all these conditions. Accordingly, if cooperative marketing societies are developed along with regulated markets, the Indian agricultural marketing system can be considerably improved.

3.12 Present Agricultural Marketing System: Conclusion

Current agricultural marketing system in India is the outcome of several years of government intervention. Agricultural marketing scenario in India has undergone conspicuous changes during the last 60 years, owing to the

increased marketed surplus; increase in urbanization and income levels and consequent changes in the pattern of demand for marketing services; increase in linkages with distant and overseas markets; and changes in the form and degree of government intervention. Some basic features of the system are presented here.

(i) Marketing Channels

In India, agricultural commodities move from the farm gate to consumers through several channels. Marketing channels for agricultural commodities vary from commodity to commodity but can be broadly divided into four groups viz., (a) direct from farmers to consumers; (b) through public agencies or cooperative organizations; (c) through private wholesalers and retailers; and (d) through processors.

(ii) Market Yards and Market Places

Actual buying and selling of commodities mainly takes place in market yards and sub-yards (primary and secondary wholesale markets) and rural periodic markets/hats spread throughout the country. At present, there are 2354 main market yards, 4807 sub-market yards and 27294 rural periodic markets in the country. These are managed by Agricultural Produce Market Committees (representing farmers and other stakeholders), local self-government institutions or government departments. The users of these markets, mostly buyers, have to pay a fee to the managers of these market places. Facilities in these market places vary extensively.

Nearly two-thirds of market yards and sub-yards were laid out on vast land area with such facilities as auction platforms, shops, godowns, rest houses and parking lots. However, studies have shown that facilities available in these yards are considerably short of the requirements.

(iii) Market Structure

Market structure is the size and design of the market and refers to those organizational characteristics which affect the conduct and performance of the

market. Important structural characteristics of agricultural produce markets include concentration of market power, conditions of entry or exit of firms, flow of market information, degree of product differentiation, and degree of integration - both vertical and horizontal.

(iv)Marketing Institutions

Another important structural characteristic of market structure for agricultural commodities is the institutional infrastructure created / promoted by the government for improvement of marketing system. Depending on the objectives and role, the marketing institutions can be grouped into public sector organizations, cooperatives and other formal/informal bodies. Public sector organizations include Food Corporation of India (FCI); Cotton Corporation of India; Jute Corporation of India; Commodity Boards; APEDA; STC; MPEDA; Commission for Agricultural Costs and Prices; Directorate of Marketing and Inspection; Departments of Food and Civil Supplies; State Agricultural Marketing Boards; Central and State Warehousing Corporations; and Agricultural Produce Market Committees. The role and functions of each of these differ and include policy formulation, implementation, supervision, facilitation and direct entry in the market.

(v) Marketing Infrastructure

The availability of marketing infrastructure affects the structure, conduct and performance of the market. Studies have shown that owing to considerable expansion in infrastructure, there has been significant increase in both horizontal and vertical integration of agricultural markets, which improved the process of price discovery and transmission of price signals from deficit to surplus area. However, the existing situation is far from adequate. Nearly 51 percent of the villages are still not connected by roads. Grading at primary market level is grossly inadequate. Only around seven percent of the total quantity sold by farmers is graded before sale. The scientific storage capacity is only 30 percent of the required capacity. Cold storage facility is available for only 10 percent of fruits and vegetables. As already mentioned, processing

capacity is inadequate and inefficient. Physical infrastructure in market yards is inadequate. Most of the rural periodic markets (including livestock markets) have no infrastructure. Nearly 41 percent of the villages have no telephone facility. Due to lack of proper handling (cleaning, sorting, grading and packaging) at the village level, about seven percent of foodgrains, 30 percent of fruits and vegetables and 10 percent of spices are lost before reaching the market.

(vi) Contract Farming

Contract farming is emerging as an important mode of procurement of agricultural products by agribusiness firms (private, public or cooperatives). This is an advance arrangement/contract between the farmers and the firm wherein farmers produce an agreed quality (and quantity) of the produce which is purchased by the firm at the agreed price and time. The contract can be a pure buying arrangement or can extend to supply of inputs and kind of production practices adopted.

Contract farming is beneficial to both the farmer as well as contractor. To the farmer, contract farming reduces price risk, to some extent production risk, marketing costs, and uncertainty of credit and helps in acquiring inputs. To the contractor, it helps in ensuring supply of quality product at the right time and at relatively lower cost.

(vii) Market Information and Use of IT in Agricultural Marketing

The system of market information has continued to be far from satisfactory. While the traders and processors use their own informal sources, farmers depend both on formal and informal sources. Though, both market news and market intelligence are important, farmers are more interested in market news. The market news of interest to farmers is collected/compiled by APMCs, SAMBs, and state departments of agricultural marketing, field staff of Directorates of Economics and Statistics and Department of Food. The information is disseminated through display boards in market yards, announcements during open auction, newspapers, radio broadcasts and some

TV channels also. Farmers also gather information through personal contacts with other farmers and traders. However, the market news is able to provide only a broad overview to the farmers due to several defects in the system. The price quotations are not backed by grades and the information is available with considerable lag. This information is not linked to local grade standards. Quite often, the price range is made available, which is of little use to farmers. There is also a serious misconception about the buying and selling price, which are distinctly different.

(viii) Marketing Efficiency

The concern for the structure and conduct of marketing system relates mainly to its efficiency. Generally, marketing efficiency is measured either as operational efficiency or pricing efficiency. The former is measured in terms of relative size of marketing costs, net margins and gross marketing margins (GMM) while the latter is measured in terms of price series correlations and through market co-integration.

3.13 Future line of work

The dynamism in the field of agricultural marketing in India has been detailed in the previous sections. The system of agricultural marketing in all the states for cereals and pulses is almost the same. In the case of horticultural crops and livestock, including fish, the marketing system varies widely across the states. However, a few commercial crops are traded in regulated markets and mandies and other commercial crops are not notified by the regulated markets. Such commercial crops are being sold by the producer-farmers at non-remunerative prices, thereby reducing the producers share in the consumer's rupee. Chilli is one of the commodities notified by the regulated markets and tobacco is not being traded in the regulated markets in Karnataka. Hence, the present study attempts to analyze and compare the agricultural marketing system existing in Karnataka with respect to these two commercial crops, Tobacco and Chilli.

CHAPTER – IV

SOCIO-ECONOMIC STATUS OF RESPONDENTS

In the previous chapter we discussed the concept of agricultural marketing and its problems, now in this chapter an attempt is made to study the socio economic conditions of the respondents so as to understand the back ground under which they work

Introduction

It is very much essential to know the background of the respondents before actually analyzing the marketing behaviour of the farmer-respondents. This will explain the socio-economic conditions in which the respondents are working. In the following paragraphs, the socio-economic conditions of the farmer-respondents are explained.

The respondents were so selected that they were growing both tobacco and chilli crops to make a better comparison. The distribution sample respondents as per their religion are presented in Table-1.

Table-1. Distribution of respondents according to religion

Religion	No.	Percentage
Hindu	181	90.50
Muslim	3	1.50
Christian	2	1.00
Others	14	7.00
Total	200	100.00

A cursory look at the table suggests that out of 200 respondents interviewed, 90.50 per cent (181 farmers) of the respondents belonged to Hindu religion which clearly indicates the dominance of Hindus in the study area.

Indian culture is dominated by Hinduism and the study area is not an exception to it. The cultural aspects of a religion have a direct bearing on the cultivation aspects of the crops. Therefore, concentration of Hindu religion in the study area clearly suggests that crop raising aspects of both chilli and tobacco crops are closely embedded with the culture of the nation. Muslim and Christian respondents were very less in the study area (1.50% and 1.00%, respectively) and the other religion respondents including Jains, Budhists, Parsis and Sikhs were also very less (7.00%). Hence, the influence of other culture in the study area is very less.

Hence, it is inferred that, cultural interference in crop cultivation is very less in the study area.

An attempt was made with regard to the involvement of different income category farmers in cultivation of the crops and the results are presented in Table-2.

Table-2. Distribution of respondents according to income categories

Category	No.	Percentage
APL	140	70.0
Antyodaya	4	2.0
BPL	56	28.0
Total	200	100.0

The sample respondents were categorized into Above Poverty Line (APL), Antyodaya farmers and Below Poverty Line (BPL) farmers to know the influence of income level of the respondents in crop cultivation aspects. The analysis of the table states that, nearly 70 per cent of the respondents are APL farmers. Hence, there should not be much difficulty to the farmers to procure the inputs required in cultivation of the crops. Therefore, it can be presumed by and large that cultivation of both the crops in the study area would not suffer due to lack of purchasing power of inputs. However, a sizeable amount of

farmers (28%) still falls below poverty line. Hence, efforts are needed to support these farmers with the inputs to achieve the desired level of production and returns. The farmers falling under the category of Antyodaya are very less (2%). Therefore, the government efforts, if in the form of providing the inputs through subsidy schemes, targeting the BPL and Antyodaya categories would trigger the use of critical inputs in cultivation of the crops, which ultimately would reflect in the improved production and net farm incomes.

Composition of the family size of the respondents is also an important indicator which will have the impact on the cultivation of the crops. It is represented in Table-3 that majority of the respondents were having bigger family size (82%), where the number of members were more than six. Small family holding farmers (<6 members) were very less (18%). Among the large family holders again, the farmers having 6-10 members in the family were to the extent of 45.5 per cent, 11-15 members were to the extent of 30.5 per cent while around 6 per cent of the farmers had more than 15 members in their family.

Table-3. Distribution of respondents according to family size

Family Size	No.	Percentage
Less than 6	36	18.0
6 to 10	91	45.5
11 to 15	61	30.5
More than 15	12	6.0
Total	200	100.0

Size of the family has direct relationship with the activity of the farm. Chilli and Tobacco are labour intensive crops. Under present scenario, it is very difficult to get labour for agricultural operations and hence the wages also have become very costly. Under such circumstances, having large size family

will not only reduce the drudgery of work in the farms by sharing the labour operations by employing family labour, but also reduce the cost of cultivation by saving the labour wages substantially.

The occupation of the respondents along with the income that they earn will also throw sufficient light on the decision making ability in cultivating of the crops by the sample respondents. Table-4 provides information about the occupation of the respondents farmers along with their average annual income in different occupations.

Table-4. Distribution of respondents according to occupation and income

Occupation	No.	Income (Rs./Respondent)
Agriculture	200	536485.00
Carpentry	1	10000.00
Clerk	1	20000.00
Coolie	1	10000.00
Dairy	1	5000.00
Doctor	2	250000.00
Floriculture	1	5000.00
Kirana Merchant	3	11666.67
Leather work	1	5000.00
Pension	1	120000.00
Priest	1	10000.00
Teacher	2	150000.00
Business	2	200000.00

It is seen from the table that, all the respondents were agriculturists (200) while some other family members or the respondents by themselves were doing some subsidiary occupations in the family to support the agricultural income to further support agricultural operations. The income from agriculture was Rs.5,36,485 per family per year. Some of them (2 persons) were practicing medicine with an income of Rs.2,50,000; business with Rs.2,00,000; teaching with Rs.1,50,000 and some were pensioners with the annual income of Rs.1,20,000. There were carpenters, coolies, floriculturists, kirana merchants, priests, dairy farmer, clerks, leather workers among the respondent families who cope up with their income to the farm families.

An account of operating land holdings are presented in Table-5. It could be seen from the table that, the study area is dominated by large farmers. The farmers who were having more than 10 acres were 185 in numbers out of 200 respondents contacted, amounting to 92.50 per cent of the total respondents.

Table-5. Distribution of respondents according to operational holdings of the respondents

Groups	Criteria	No.	%
Marginal	Less than 2.5 acres	1	0.50
Small	2.6 to 5.0 Acres	1	0.50
Medium	5.1 to 10.00 Acres	13	6.50
Large	> 10.0 Acres	185	92.50
Total		200	100.00

Medium size land holdings were size of the land holdings is 5.1 to 10 acres, who constitute only 6.5 per cent, while small and marginal farmers were almost negligible (1 each out of 200) constituting only 0.50 per cent a piece. The study reveals that farmers having less than 5 acres of land were very less in the study area. That means concentration of land is in the hands of few farmers.

Because of this, the average income per family through farming was more than 5 lakhs (Table-4). Existence of large sized holding among the farming community would strengthen the investment capacity of farmers in cultivating the crops because of higher income that they generate through farming and also due to the operation of economy of large scale operation farmers can reduce their costs, leading to higher net income.

The cropping pattern of the sample respondents are presented in Table-6. It is seen from the table that the farmers were found distributing their cultivable land among field crops, annual crops and perennial crops.

Table-6. Cropping pattern followed by the farmer-respondents based on their operational holdings

(Area in acres)

Season/Crop	Marginal	Small	Medium	Large	Overall	
I. Kharif					Area	%
Jowar	0.00	0.00	0.42	0.72	0.70	6.14
Maize	0.00	0.00	0.00	0.08	0.07	0.62
Soybean	0.00	0.00	0.08	0.38	0.36	3.20
Groundnut	0.00	0.00	0.08	0.18	0.17	1.50
Chilli	0.50	1.00	3.67	10.42	10.02	88.53
Kharif Total	**0.50**	**1.00**	**4.25**	**11.78**	**11.31**	**100.00**
II. Rabi						
Wheat	0.00	0.00	0.25	0.18	0.18	2.36
Pulses	0.00	0.00	0.00	0.03	0.03	0.39
Tobacco	4.00	1.00	3.17	7.74	7.41	97.24
Rabi Total	**4.00**	**1.00**	**3.42**	**7.95**	**7.62**	**100.00**
III. Summer						
Brinjal	0.00	0.00	0.00	0.29	0.27	100.00
Summer Total	**0.00**	**0.00**	**0.00**	**0.29**	**0.27**	**100.00**
IV. Annual Crops						
Sugarcane	1.00	2.00	0.75	1.86	1.79	100.00
Annual Crops Total	**1.00**	**2.00**	**0.75**	**1.86**	**1.79**	**100.00**
V. Perennial crops						
Betal Wines	0.00	0.00	0.08	0.14	0.13	100.00
Perennial Crops Total	**0.00**	**0.00**	**0.08**	**0.14**	**0.13**	**100.00**

During kharif season, among the crops grown, chilli crop occupied major area (88.53%) of the total cropped area, while jowar, maize, soybean and groundnut were the other crops during the season. During rabi, tobacco was the most important crop which occupied 97.24 per cent of the total cultivated area, while wheat and pulses were other crops in the season. During summer season, it is seen that brinjal was the only crop grown in very small patches of land (0.27 acres).

Sugarcane was the annual crop in the cropping pattern occupying an area of 1.79 acres, while betel wine, the perennial crop, grown in 0.13 acres of land.

Category wise cropping pattern indicates that marginal and small farmers grew only chilli during kharif, tobacco during rabi and sugarcane as annual crop. Much crop diversity in all the seasons were seen only with respect to medium and large farmers. Summer crop activity with brinjal was seen only with the large farmer category. These large farmers had additional irrigation facilities through the bore wells which they dug by utilizing their higher investment capacities and were found making their irrigation facilities to cultivate the crops like brinjal. The other category farmers had kept their land follow during summer season.

The experience of different category farmers in cultivation of tobacco and chilli crops is presented in Table-7.

Table-7. Distribution of respondents based on experience in tobacco and chilli cultivation

Crop/ Experience	Marginal		Small		Medium		Large		Grand Total	
Tobacco	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Less than 5 years		0.00		0.00	1	8.33	11	5.91	12	6.00
5 to 10 years		0.00		0.00	2	16.67	4	2.15	6	3.00
11 to 20 years		0.00		0.00		0.00	15	8.06	15	7.50
21 to 30 years		0.00		0.00	1	8.33	24	12.90	25	12.50
31 to 40 years	1	100.00		0.00	2	16.67	38	20.43	41	20.50
More than 40 years		0.00	1	100.00	6	50.00	94	50.54	101	50.50
Total	1	100.00	1	100.00	12	100.00	186	100.00	200	100.00
Chilli										
Less than 5 years		0.00		0.00		0.00	3	1.61	3	1.50
5 to 10 years		0.00		0.00		0.00	9	4.84	9	4.50
11 to 20 years		0.00		0.00	1	8.33	6	3.23	7	3.50
21 to 30 years		0.00		0.00	2	16.67	26	13.98	28	14.00
31 to 40 years	1	100.00	1	100.00	1	8.33	48	25.81	51	25.50
More than 40 years		0.00		0.00	8	66.67	94	50.54	102	51.00
Total	1	100.00	1	100	12	100.00	186	100.00	200	100.00

It is observed from the table that, more than 50 per cent of the farmers had more than 40 years of experience in cultivation of tobacco crop in the study area. Another 20 per cent of the farmers had more than 30 years of experience and 12 per cent of the farmers had more than 20 years of experience. In all, more than 80 per cent of the farmers had long experience in the cultivation of tobacco in the study area, irrespective of the categories. Hence, there should not be any difficulty to the farmers to take decisions in one of the cultivation aspect of the crop.

In the case of chilli crop also, the trend with regard to the experience is more or less similar. Here also, 90 per cent of the farmers in the study area had

more than 20 years of experience in the cultivation of chilli. Amongst them more than 50 per cent of the farmers had more than 40 years of experience in chilli cultivation.

The ongoing results with respect to both the crops clearly indicate that the farmers in the study area are well-versed with the cultivation aspects of both the crops. Hence, decision making in crop activity should not be a problem among the farmers in the study area.

Table-8 indicates the per acre value of the produce during kharif, rabi, summer, annual of perennial crops of different category of farmers.

Table-8. Average Gross value of the agricultural production by the farmer-respondents based on the operational holdings

(Rupees/acre)

Season/Crop	Marginal	Small	Medium	Large	Overall	
I. Kharif					Value	%
Jowar	0	0	33600	8374	9281	3.73
Maize	0	0	0	35286	35286	14.18
Soybean	0	0	4000	20448	20221	8.13
Groundnut	0	0	4000	6755	6674	2.68
Chilli	640000	28000	15386	15277	15293	6.15
Kharif Total	**640000**	**28000**	**56986**	**86139**	**86754**	**34.87**
II. Rabi						
Wheat	0	0	4000	4455	4417	1.78
Pulses	0	0	0	15000	15000	6.03
Tobacco	39000	85000	33566	33815	33857	13.61
Rabi Total	**39000**	**85000**	**37566**	**53270**	**53274**	**21.41**
III. Summer						
Brinjal	0	0	0	6622	6622	2.66
Summer Total	**0**	**0**	**0**	**6622**	**6622**	**2.66**
IV. Annual Crops						
Sugarcane	0	46000	97778	91235	91171	36.65
Annual Crops Total	**0**	**46000**	**97778**	**91235**	**91171**	**36.65**
V. Perennial crops						
Betal Wines	0	0	5000	11192	10958	4.40
Perennial Crops Total	**0**	**0**	**5000**	**11192**	**10958**	**4.40**
Grand Total	**679000**	**159000**	**197330**	**248457**	**248780**	**100.00**

During kharif season among the crops grown, maize crop was having high value of the produce per acre (Rs.35286), which constituted 14.18 per cent of the gross value of the produces cultivated by the farmer-respondents, while jowar, soybean, groundnut and chilli were the other crops during the season. During rabi, tobacco was having high value of the produce per acre at Rs.33857 (13.61%), while wheat and pulses were the other crops in the season. During summer season it was seen that, brinjal was the only crop grown and of having value of Rs.6622 per acre (2.66%) which was low. Sugarcane was the annual crop which was having the value of Rs.91171 per acre (36.65%) while betel wine was the perennial crop having the value of Rs.10958 per acre (4.40%).

Category wise cropping pattern indicates that, there was much crop diversity among medium and large farmers during kharif season where as marginal and small farmers grew only chilli crop during the season. In rabi, marginal and small farmers grew only tobacco crop, whereas crop diversity is observed in the cases of medium and large farmers.

Summer crop activity with brinjal was seen only with the large farmers' category; other category farmers had kept their land fallow during summer season. As annual crop, sugarcane was grown by small, medium and large farmers, and betel wine perennial crop was grown by only medium of large farmers.

An attempt was made with regard to know the cropping pattern different social groups of farmers in cultivation of the crops and the results are presented in Table-9. The sample respondents were categorized into SC, ST, OBC and other category. The analysis of the table states that, during kharif season among the crops grown, chilli crop occupied major area (88.43%) of the total cropped area, while jowar, maize, soybean and groundnut were the other crops during the season. During rabi tobacco was the most important crop, occupying 97.24 per cent of the total cultivated area, while wheat and pulses were the other crops in the season.

Table-9. Cropping pattern followed by the farmer-respondents based on their social group.

(Area in acres)

Season/Crop	SC	ST	OBC	Others	Overall	
					Area	%
I. Kharif						
Jowar	0.72	0.33	1.13	0.68	0.70	6.20
Maize	0.22	0.00	0.00	0.06	0.07	0.62
Soybean	0.39	1.00	0.75	0.33	0.36	3.23
Groundnut	0.28	0.00	0.38	0.15	0.17	1.52
Chilli	8.72	15.00	14.00	9.76	9.92	88.43
Kharif Total	10.33	16.33	16.25	10.98	11.22	100.00
II. Rabi						
Wheat	0.11	0.00	0.25	0.19	0.18	2.36
Pulses	0.00	0.00	0.00	0.04	0.03	0.39
Tobacco	5.78	9.00	8.38	7.51	7.41	97.24
Rabi Total	5.89	9.00	8.63	7.73	7.62	100.00
III. Summer						
Brinjal	0.50	2.67	0.00	0.21	0.27	100.00
Summer Total	0.50	2.67	0.00	0.21	0.27	100.00
IV. Annual Crops						
Sugarcane	2.28	4.00	3.25	1.64	1.79	100.00
Annual Crops Total	2.28	4.00	3.25	1.64	1.79	100.00
V. Perennial crops						
Betal Wines	0.00	0.00	0.00	0.16	0.13	100.00
Perennial Crops Total	0.00	0.00	0.00	0.16	0.13	100.00

During summer season it was seen that, brinjal was the only crop grown in very small per cent of land (0.268 acres). Sugarcane was the annual crop in cropping pattern occupying area of 1.79 acres while betel wine was the perennial crop grown in 0.133 acres of land.

The analysis of cropping pattern followed by different social group of farmers indicates that, most of the social groups of the farmers grew chilli crop largely during kharif season, tobacco during rabi and sugarcane as annual crop. Cropping diversity in all the seasons was seen with respect to all social groups.

The results on per acre value of the produce across the social groups of the respondents are presented in Table-10 during kharif, rabi, summer seasons as well as from annual and perennial crops.

Table-10. Average Gross value of the agricultural production by the farmer-respondents across their social groups

(Rupees/acre)

Total Value of the produce(Value in Rupees)

Season/Crop	SC	ST	OBC	Others	Overall	
I. Kharif					Value	%
Jowar	2100	3333	7375	6920	6450	1.09
Maize	7778	0	0	2070	2470	0.42
Soybean	8000	18000	13500	6784	7330	1.24
Groundnut	1611	0	875	1116	1135	0.19
Chilli	159722	202667	234000	147822	153163	25.99
Kharif Total	179211	224000	255750	164711	170547	28.94
II. Rabi						
Wheat	556	0	563	845	795	0.13
Pulses	0	0	0	526	450	0.08
Tobacco	172889	1733333	251688	233009	250850	42.56
Rabi Total	173444	1733333	252250	234380	252095	42.78
III. Summer						
Brinjal	3889	23333	0	1253	1771	0.30
Summer Total	3889	23333	0	1253	1771	0.30
IV. Annual Crops						
Sugarcane	170333	350000	212500	157181	163470	27.74
Annual Crops Total	170333	350000	212500	157181	163470	27.74
V. Perennial crops						
Betal Wines	0	0	0	1698	1452	0.25
Perennial Crops Total	0	0	0	1698	1452	0.25
Grand Total	526878	2330667	720500	559224	589336	100.00

It could be seen from the table that, during kharif season among the crops grown, maize crop was having high value of the total produce at Rs.35286 (14.17%) while jowar, soybean, groundnut and Chilli were the other crops during the season. During rabi, tobacco was having high value of produce accounting for Rs.33857 (13.60%), while wheat and pulses were the other crops in season. During summer season, it could be seen that, brinjal was the only crop grown, having total value of Rs.6627 (2.66%) of the total produce. Sugarcane was the annual crop which is having the value of Rs.91171 (36.63%), while betel wine was the perennial crop which is having the value of Rs.10958 (4.40%).

Table-11 indicates the raring of livestock among different category of farmers. Respondents are categorized into marginal, small, medium and large farmers. Large farmers were found to rare more number of live stocks. i.e., 220 Bullocks (average 1.83), 279 Buffaloes (average 1.50), 80 cows (average 0.43), 80 calf (average 0.43), 103 goats (average 0.55), 100 sheep (average 0.54), where as medium farmers were found to rear less number of live stock i.e. 2 Bullocks (average 0.17), 21 Buffaloes (average 1.75), 10 cows (average 0.83), 2 calf (average 0.17), 9 goats (average 0.75), 17 sheep (average 0.17) and other live stock (average 0.08). Also it can be observed from table that marginal and small farmers are not raring any live stock.

Table-11. Livestock position of the respondents based on operational land holdings

Livestock	Marginal		Small		Medium		Large		Grand Total	
	N	Avg.	N	Avg.	N	Avg.	N	Avg.	N	Avg.
Bullocks	0	0.00	0	0.00	2	0.17	220	1.18	222	1.11
Buffaloes	0	0.00	2	2.00	21	1.75	279	1.50	302	1.51
Cows	0	0.00	0	0.00	10	0.83	80	0.43	90	0.45
Calf	0	0.00	0	0.00	2	0.17	80	0.43	82	0.41
Goat	0	0.00	0	0.00	9	0.75	103	0.55	112	0.56
Sheep	0	0.00	0	0.00	17	1.42	100	0.54	117	0.59
Others	0	0.00	0	0.00	1	0.08	0	0.00	1	0.01

When it comes different social groups, which are broadly categorized into SC, ST, OBC and others, it could be observed from table-12 that, other caste farmers were raring 171 Bullocks (average 1.00), 246 Buffaloes (average 1.44), 80 cows (average 0.47), 80 calf (average 0.47), 76 goats (average 0.44), 3 Sheep (average 0.60) and other livestock at an average of 0.01, where as SC caste farmers were found to be raring comparatively less number of live stocks as compared to other caste farmers; i.e.. 28 Bullocks (average 1.56), 32 Buffaloes (average 1.78), 4 Cows (average 0.22), 1 Calf (average 0.06), 22 goats (average 1.22) and 12 Sheep (average 0.67). OBC farmers were also found to rare less number of livestock. i.e., 13 Bullocks (average 1.63), 15 Buffaloes (average 1.88), 4 Cows (average 0.50), 1 Calf (average 0.13), 1 Goat (average 1.38) and 2 Sheep (average 0.25). Among all these social groups, the farmers belonging to ST were found to be raring 10 Bullocks (average 3.33) and 9 goats (average 1.00). There was no other livestock raring in these caste farmers except other caste farmers.

Table-12. Livestock position of the respondents based on their social groups

Livestock	SC		ST		OBC		Others		Grand Total	
	N	Avg.	N	Avg.	N	Avg.	N	Avg.	N	Avg.
Bullocks	28	1.56	10	3.33	13	1.63	171	1.00	222	1.11
Buffaloes	32	1.18	9	3.00	15	1.88	246	1.44	302	1.51
Cows	4	0.22	2	0.67	4	0.50	80	0.47	90	0.45
Calf	1	0.06	0	0.00	1	0.13	80	0.47	82	0.41
Goat	22	1.22	3	1.00	11	1.38	76	0.44	112	0.56
Sheep	12	0.67	0	0.00	2	0.25	103	0.60	117	0.59
Others	0	0.00	0	0.00	0	0.00	1	0.01	1	0.01

CHAPTER - V

MARKETING FUNCTIONS OF THE RESPONDENTS

This chapter deals with the actual marketing functions taken up by the farmer-respondents with respect to both tobacco and chilli. The marketing functions mainly concentrated are storage of the produce, processing, packaging, place of marketing of the produce. The details of the results are brought-out under appropriate sub-heads.

01. Storage activities taken up by the respondents

Storage is an important marketing function, which involves holding and preserving goods from the time they are produced until they are needed for consumption. Storage is an exercise of human foresight by means of which commodities are protected from deterioration and surplus supplies in times of plenty are carried over to the season of scarcity. The storage function, therefore, adds the time utility to products.

Agriculture is characterized by relatively large and irregular seasonal and 0142-*year-to-year fluctuations in productle. This conflicting behaviour of demand and supply make it necessary that large quantities of farm produce should be held for a considerable period of time.

The storage function is as old as man himself, and is performed at all levels in the trade, producers hold a part of their output on the farm, traders store it to take price advantage, processing plants hold a reserve stock of their raw materials to run their plants on a continuous basis. Retailers store various commodities to satisfy the consumer's day-to-day needs. Consumers too store food grains, depending on their financial status. The main functions of storage of agricultural produce are listed below.

1. Agricultural products are seasonally produced but are required for consumption throughout the year. The storage of goods, therefore, from the time of production to the time of consumption, ensures a continuous flow of goods in the market.

2. Storage protects the quality of perishable and semi-perishable products from deterioration.
3. Some of the goods, e.g. woolen garments, have a seasonal demand. To cope with this demand, production on a continuous basis and storage become necessary.
4. It helps in the stabilization of prices by adjusting demand and supply.
5. Storage is necessary for some period for the performance of other marketing functions. Ex: the produce has to be stored till arrangements for its transportation are made or during the process of buying selling, or the weighment of the produce after sale, and during processing by the processor.
6. The storage of some farm commodities is necessary either for their ripening (e.g. banana, mango, etc.) or for improvement in their quality (e.g. rice, pickles, cheese, tobacco, etc.).
7. Storage provides employment and income through price advantages. For example, middlemen store food grains by purchasing them at low prices in the peak season and sell them in the other seasons when prices are higher.

(a) Duration of storage

Regarding the farmer-respondents of the present study, the duration for which the respondents stored their produce before marketing is presented in Table-13.

It can be seen from the table that, all the marginal and small tobacco farmers had stored tobacco crop for duration for 4 to 6 months and 1 to 3 months, respectively. Majority of large farmers (70.97%) and medium farmers (58.33%) had stored the crop for a shorter duration of 1 to 3 months, followed by no storage (13.9% and 33.33%) and 4 to 6 months (9.14 and (8.33) respectively.

Table-13. Distribution of respondents according to farmer's category and duration of storage

(%)

Crop/ Duration	Marginal	Small	Medium	Large	Total
Tobacco					
No Storage	0.00	0.00	33.33	13.98	15.00
1 to 3 months	0.00	100.00	58.33	70.97	70.00
4 to 6 months	100.00	0.00	8.33	9.14	9.50
6 to 12 months	0.00	0.00	0.00	5.91	5.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	0.00	0.00	33.33	9.68	11.00
1 to 3 months	0.00	0.00	66.67	62.90	62.50
4 to 6 months	100.00	100.00	0.00	25.27	24.50
6 to 12 months	0.00	0.00	0.00	2.15	2.00
Total	100.00	100.00	100.00	100.00	100.00

Minimum storage for tobacco is 2.40 months; maximum storage for chilli is 2.67 months

None of the farmers who were growing tobacco belonging to small and marginal farmers had stored crop beyond 6 -12 months. Over 50 per cent of large (62.90%) and medium (66.67%) chilli growers have stored for a period of 1 to 3 months, followed by no storage (3.33% and 9.68%) and 4 to 6 months (0% and 25.27%), respectively.

If it comes to different social group of farmers, it can be observed from Table-14 that SC category growers (55.56%), ST (66.67%), OBC (100%) and others (70.18%) had stored tobacco for duration of 1 to 3 months, followed by no storage (22.22%) in SC category farmers, 33.33 per cent of ST category people. Similarly all the ST category people had stored chilli for duration of 1 to 3 months, whereas SC (61.11%), OBC (50%) and others 62.57%), respectively.

Table-14. Distribution of respondents according to farmer's social group and duration of storage

(%)

Crop/ Duration	SC	ST	OBC	Others	Total
Tobacco					
No Storage	22.22	33.33	0.00	14.62	15.00
1 to 3 months	55.56	66.67	100.00	70.18	70.00
4 to 6 months	16.67	0.00	0.00	9.36	9.50
6 to 12 months	5.56	0.00	0.00	5.85	5.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	5.56	0.00	25.00	11.11	11.00
1 to 3 months	61.11	100.00	50.00	62.57	62.50
4 to 6 months	33.33	0.00	12.50	24.56	24.50
6 to 12 months	0.00	0.00	12.50	1.75	2.00
Total	100.00	100.00	100.00	100.00	100.00

Years of schooling of all the family members were summed up and average years of schooling were computed for all individual families. Thus the average years of schooling ranged between 0.5 years and 10.00 years, with mean=4.65 years and standard deviation of $\pm$ 1.37.

Classification

SN	Category	Criterion
1.	YS-1	Less than or equal to 2.5 years
2.	YS-2	2.51 to 5.00
3.	YS-3	5.01 to 7.50
4.	YS-4	More than 7.50 years of schooling

Table-15. Distribution of respondents according to farmers' education status and duration of storage

(%)

Crop/ Duration	YS-1	YS-2	YS-3	YS-4	Total
Tobacco					
No Storage	10.00	13.11	18.75	25.00	15.00
1 to 3 months	80.00	75.41	59.38	50.00	70.00
4 to 6 months	0.00	7.38	14.06	25.00	9.50
6 to 12 months	10.00	4.10	7.81	0.00	5.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	10.00	8.20	17.19	0.00	11.00
1 to 3 months	80.00	64.75	54.69	75.00	62.50
4 to 6 months	10.00	26.23	23.44	25.00	24.50
6 to 12 months	0.00	0.82	4.69	0.00	2.00
Total	100.00	100.00	100.00	100.00	100.00

Table 15 shows that majority of the farmers who come under YS-1 about 80%, YS-2 (75.41%), YS-3 (59.38%) and YS-4 (50.00%) had stored tobacco crop for duration of 1 to 3 months, less than 20 per cent of all category farmers had stored their crop beyond 3 months and also there was no reason behind storing.

It is also seen from the table that 80 per cent of YS-1 farmers, 64.75 per cent YS-2 farmers, 54.69 per cent of YS-3 farmers and 75 per cent of YS-4 farmers have stored their chilli for the duration of 1 to 3 months. Whereas 26.23 per cent of YS-2 farmers and 23.44 per cent of YS-3 farmers had stored crop up to 4 to 6 months and none of the YS-1 farmers and YS-4 farmers stored crop up to 6 to 12 months, whereas around 11 per cent of the farmers have not stored their produce.

Table-15. Distribution of respondents according to farmers' education status and duration of storage

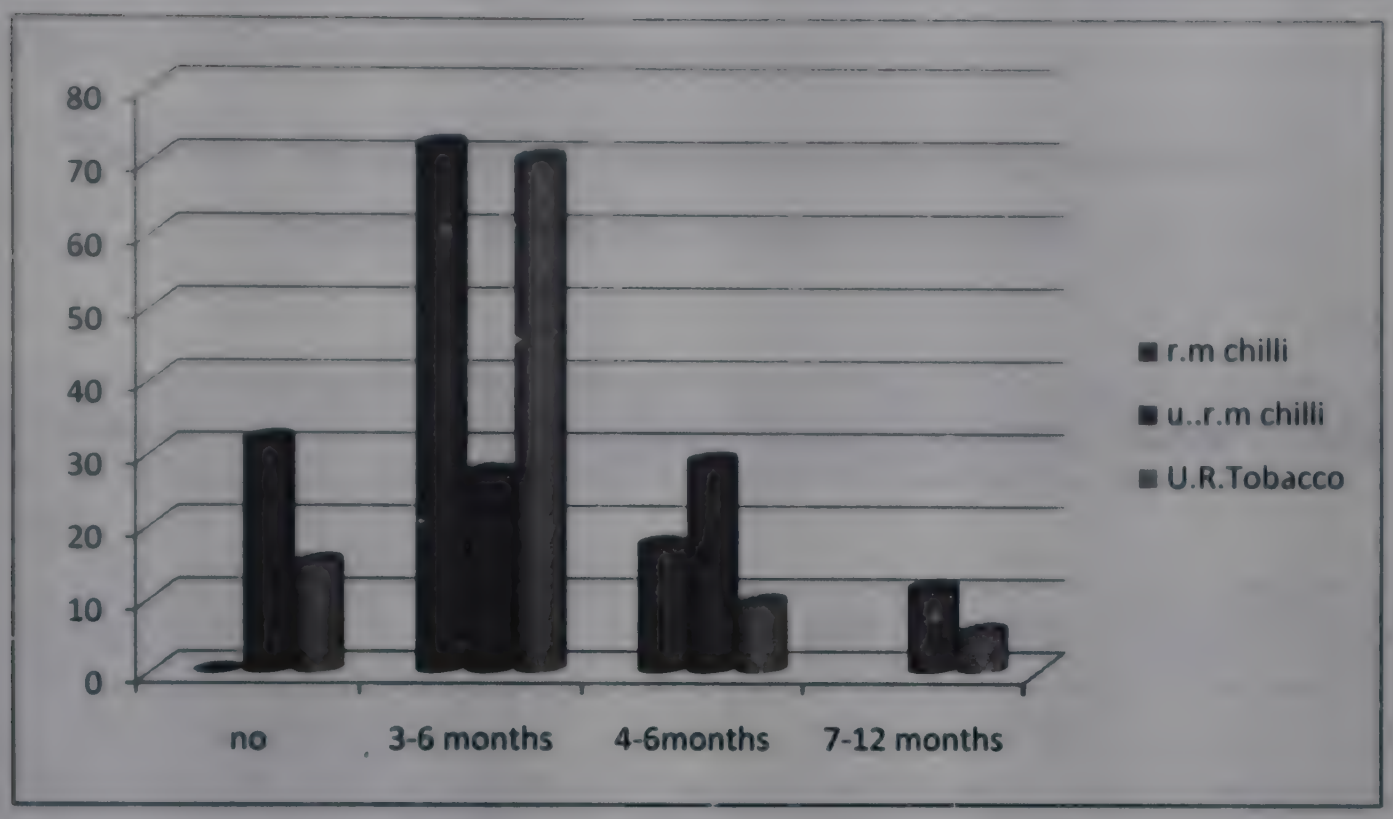
(%)

Crop/ Duration	YS-1	YS-2	YS-3	YS-4	Total
Tobacco					
No Storage	10.00	13.11	18.75	25.00	15.00
1 to 3 months	80.00	75.41	59.38	50.00	70.00
4 to 6 months	0.00	7.38	14.06	25.00	9.50
6 to 12 months	10.00	4.10	7.81	0.00	5.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	10.00	8.20	17.19	0.00	11.00
1 to 3 months	80.00	64.75	54.69	75.00	62.50
4 to 6 months	10.00	26.23	23.44	25.00	24.50
6 to 12 months	0.00	0.82	4.69	0.00	2.00
Total	100.00	100.00	100.00	100.00	100.00

15.a - Comparative Storage function in regulated and un regulated tobacco and chilli market

Storage	Regulated Chilly	Unregulated Chilly	Unregulated Tobocco
No	-	32.00	15.00
1-3	72.50	27.50	70.00
4-6	17.50	29.00	9.50
6-12	-	11.50	5.50
Total	100.00	100.00	100.00

Graph-I Comparative Storage function in regulated and un regulated tobacco and chilli market



The above table and graph shows Majority (72.50%) of farmers stored for 1-3 months in the regulated chilly market and only 17.50% of farmers stored for a period of 4-6 months. Whereas majority of tobacco farmers (70%) stored for a period of 1-3 months.

(b) Reasons for storage

Table-16 shows that all small and marginal farmers have stored tobacco because of the reason that expecting high price and no purchaser comes to village. Small per cent of medium (33.33%) and large farmers (13.98%) have stored tobacco crop without any reason followed by the no purchaser comes to village (25%, 19.35%) and (0% and 2.5%) did not get remunerative price (0% and 2.69%) respectively. None of the small and marginal farmers have stored tobacco without reason and for the reason that they did not get remunerative price.

When it comes to chilli, all the marginal and small farmers have stored chilli because of the reason that they did not get remunerative price. Whereas

59.68 per cent of large farmers and 33.33 per cent of medium farmers stored their chilli crop because they were expecting higher price and 33.33 per cent of medium farmers and 15.59 per cent of the large farmers stored their crop that there was no transportation facility. None of the small and marginal farmers have stored chilli crop without any reason.

Table-16. Distribution of respondents according to farmers' education status and reasons for storage

(%)

Crop/ Reason	Marginal	Small	Medium	Large	Total
Tobacco					
No Storage	0.00	0.00	33.33	13.98	15.00
Did not get remunerative price	0.00	0.00	0.00	2.69	2.50
No purchaser comes to village	100.00	0.00	25.00	19.35	20.00
Expecting higher price	0.00	100.00	41.67	63.44	62.00
No transport facility	0.00	0.00	0.00	0.54	0.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	0.00	0.00	16.67	6.99	7.50
Did not get remunerative price	100.00	100.00	8.33	15.59	16.00
No purchaser comes to village	0.00	0.00	8.33	2.15	2.50
Expecting higher price	0.00	0.00	33.33	59.68	57.50
No transport facility	0.00	0.00	33.33	15.59	16.50
Total	100.00	100.00	100.00	100.00	100.00

The reasons for storage of both tobacco and chilli by different social groups of farmers are depicted in table 17. The table reveals that 55.56 per

cent of SC, 66.67 per cent of ST, 75 per cent of OBC and 61.99 per cent of other caste farmers have stored tobacco, as they were expecting higher price. Whereas SC (22.22%), ST (33.33%) and other (14.62%) category of farmers had stored their crop without any reason and 50 per cent of SC, 33.33 per cent of ST, 50 per cent of OBC and 59.06 per cent of other category farmers have stored their chilli, expecting higher price for their crop, whereas, 66.67 per cent of ST had stored their crop because they did not get remunerative price for chilli.

Table-17. Distribution of respondents according to farmers' social category and reasons for storage

(%)

Crop/ Reason	SC	ST	OBC	Others	Total
Tobacco					
No Storage	22.22	33.33	0.00	14.62	15.00
Did not get remunerative price	0.00	0.00	12.50	2.34	2.50
No purchaser comes to village	22.22	0.00	12.50	20.47	20.00
Expecting higher price	55.56	66.67	75.00	61.99	62.00
No transport facility	0.00	0.00	0.00	0.58	0.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	5.56	0.00	37.50	6.43	7.50
Did not get remunerative price	11.11	66.67	12.50	15.79	16.00
No purchaser comes to village	0.00	0.00	0.00	2.92	2.50
Expecting higher price	50.00	33.33	50.00	59.06	57.50
No transport facility	33.33	0.00	0.00	15.79	16.50
Total	100.00	100.00	100.00	100.00	100.00

The Table 18 shows that 50 per cent of YS-1, 68.85 per cent of YS-2, 51.56 per cent of YS-3 and 50 per cent of YS-4 farmers had stored their produce because they were expecting higher price for their tobacco. Whereas YS-1 (40%), YS-2 (16.39%), YS-3 (23.44%) and YS-4 (25%) of the farmers had stored their crop because of the reason that no purchaser comes to village for purchasing.

On the other hand, 40 per cent of YS-1, 62.30 per cent of YS-2, 50 per cent of YS-3 and 50 per cent of YS-4 farmers stored their chilli, as they were expecting higher price, followed by there was no transportation facility (30%, 16.39%, 15.63% and 15.63%, respectively).

Table-18. Distribution of respondents according to farmers' Education status and reasons for storage

(%)

Crop/ Reason	YS-1	YS-2	YS-3	YS-4	Total
Tobacco					
No Storage	10.00	13.11	18.75	25.00	15.00
Did not get remunerative price	0.00	0.82	6.25	0.00	2.50
No purchaser comes to village	40.00	16.39	23.44	25.00	20.00
Expecting higher price	50.00	68.85	51.56	50.00	62.00
No transport facility	0.00	0.82	0.00	0.00	0.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	10.00	2.46	15.63	15.63	7.50
Did not get remunerative price	20.00	15.57	17.19	17.19	16.00
No purchaser comes to village	0.00	3.28	1.56	1.56	2.50
Expecting higher price	40.00	62.30	50.00	50.00	57.50
No transport facility	30.00	16.39	15.63	15.63	16.50
Total	100.00	100.00	100.00	100.00	100.00

(c) Place of storage

The distribution of respondents based on place of storage and farmers' size of holdings is presented in Table 19. The table reveals that all small farmers and majority of large (84.41%) and medium (66.67%) of tobacco growers had stored tobacco in their own storage place. None of the marginal farmers had stored tobacco and private hired place for the storage of tobacco was used only by the large farmers, that too to an extent of hardly 1.61 per cent of the large farmers.

On the other hand, chilli was not stored by cent per cent of the marginal farmers, followed by medium farmers (41.67%) and large farmers (10.22%) and cent per cent of the small farmer had their own facility to store chilli, followed by large farmers (87.63%) and medium farmers (58.33%). Overall, across the category of farmers, 85.50 per cent of farmers have their own storage facility for chilli and 83.00 per cent for tobacco.

Table-19. Distribution of respondents according to category of farmers and place of storage

(%)

Crop/ Place	Marginal	Small	Medium	Large	Total
Tobacco					
No Storage	100.00	0.00	33.33	13.98	15.50
Own Facility	0.00	100.00	66.67	84.41	83.00
Private hired	0.00	0.00	0.00	1.61	1.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	100.00	0.00	41.67	10.22	12.50
Own Facility	0.00	100.00	58.33	87.63	85.50
Private hired	0.00	0.00	0.00	2.15	2.00
Total	100.00	100.00	100.00	100.00	100.00

Distribution of farmer-respondents according to their education status and place of storage is presented in Table 20.

Table-20. Distribution of respondents according to farmers' Education status and place of storage

(%)

Crop/ Place	YS-1	YS-2	YS-3	YS-4	Total
Tobacco					
No Storage	10.00	13.11	20.31	25.00	15.50
Own Facility	90.00	85.25	78.13	75.00	83.00
Private hired	0.00	1.64	1.56	0.00	1.50
Total	100.00	100.00	100.00	100.00	100.00
Chilli					
No Storage	10.00	8.20	21.88	0.00	12.50
Own Facility	70.00	90.16	78.13	100.00	85.50
Private hired	20.00	1.64	0.00	0.00	2.00
Total	100.00	100.00	100.00	100.00	100.00

It could be seen from the table that, 90 per cent of YS-1, 85.25 per cent of YS-2, 78.13 per cent of YS-3 and 75 per cent of YS-4 farmers have their own facility for storage of tobacco, whereas, hardly 1.64 per cent of YS-2 and 1.56 per cent of YS-3 farmers had hired private storage facility. None of the YS-1 and YS-4 category farmers have utilized private storage facility to store tobacco.

In the case of chilli, it could be seen that, 70 per cent of YS-1, 90.16 per cent of YS-2, 78.13 per cent of YS-3 and 100 per cent of YS-4 farmers had their own facility for storage. Lower educated farmers had utilized the services

of private storages for storing their chilli to an extent of 20 per cent of YS-1 and 1.64 per cent YS-2 farmers. Highly educated farmers (YS-3 and YS-4) have not stored their produce in private storages.

(d) Cost of storage

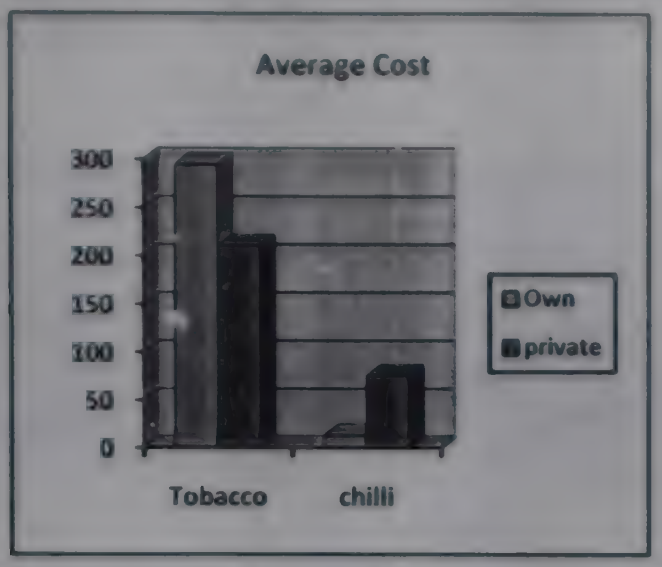
Village wise average cost of storage is depicted in Table 21. In case of tobacco, average cost of storage per quintal was highest in Mamadapur village (Rs.610.52), followed by Examba (Rs.264.50), Pangeri (Rs.211.83), and it was least in Bhoj village (Rs.118.12). In the case of chilii, per quintal cost of storage was highest in Pangeri village (Rs.160.66), followed by Bhoj (Rs.120.62), Nainglaz (Rs.94.80) and Peerwadi (Rs.67.66). And it was least in case of Examba village (Rs.12.50).

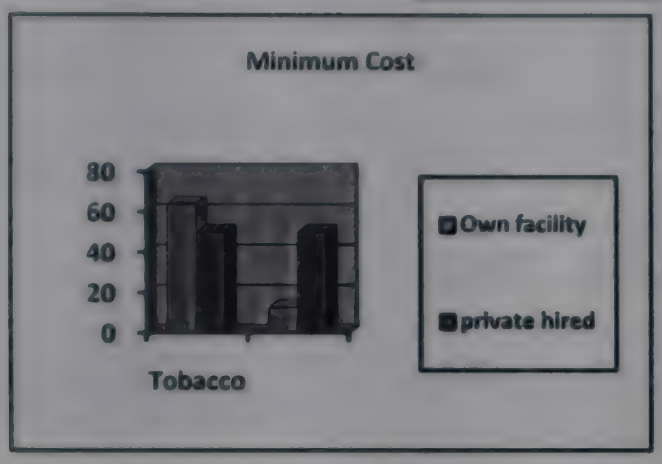
Table-21. Village-wise cost of storage of their produce by the respondents

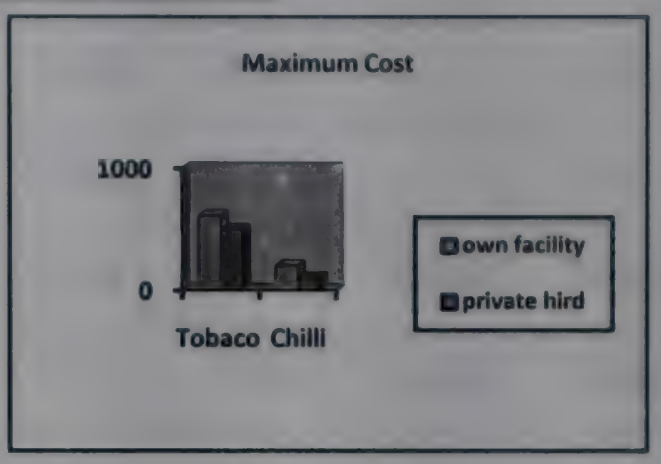
(Rs/quintal)

Village	Tobacco			Chilli		
	Own facility	Private Hired	Overall	Own facility	Private Hired	Overall
Akkol	140.27	-	140.27	37.50	100.00	38.55
Bhoj	195.55	65.00	118.12	178.00	75.00	120.62
Examba	264.50	-	264.50	12.50	-	12.50
Galataga	141.66	-	141.66	87.50	50.00	81.94
Mamadapur	610.52	-	610.52	76.31	-	76.31
Nainglaj	173.54	50.00	286.60	94.80	-	94.80
Pangeri	261.33	-	261.33	160.66	-	160.66
Peerwadi	211.83	-	211.83	67.66	-	67.66
Average	294.09	210.00	247.25	77.86	75.00	76.87
Minimum	63.75	50.00	_	12.50	50.00	76.87
maximum	610.52	65.00	_	200.00	100.00	

Graph-2 : Average Cost, Minimum Cost, Maximum Cost of Storage







Average cost of storage in tobacco in own facility was Rs 294.96, in private hired it was Rs 210.0 and overall Average cost was Rs 247.25 In case of tobacco Minimum cost of storage for own facility is Rs 63.75, private highered Rs 50.00 and the overall cost was 247.25. And in case of chilli Average cost of storage. in own facility was Rs 77.86, in private hired it was Rs 75.00 and overall Average cost was Rs 76.87 and the Minimum cost of storage in own facility is Rs 610.52, private highered Rs 50.00 and the overall cost was 76.87

The average per quintal cost of storage by farmer category is presented in Table 22. It can be seen that, in the case of tobacco, the large farmers who have their own storage facility having highest average cost of storage of Rs.306.08 followed by medium farmers (Rs. 95.62). The overall average cost of storage was highest in large category of farmers (Rs.261.74), followed by medium farmers category (Rs.63.75). The marginal and small farmer did not incur any cost on storage of tobacco.

Table-22. Farmer category-wise cost of storage of their produce by the respondents

(Rs/quintal)

Farmer category	Tobacco			Chilli		
	Own facility	Private Hired	Overall	Own facility	Private Hired	Overall
Marginal			0.00			.
Small	0.00		0.00	50.00		50.00
Medium	63.750		63.75	35.41		35.41
Large	306.08	210.00	261.74	78.77	65.00	70.64
Average	294.09	210.00	247.25	77.86	65.00	76.87

With respect to chilli, the overall cost of storage was found to be Rs. 76.87/quintal, which was higher in the case of storage using own facility as compared to hiring the storage facility from private enterprises. Hence, it could be concluded that, hiring of private storage facility, both for tobacco and chilli, works out to be cheaper than using own storage facility.

In case of social type wise the average per quintal cost of storage of tobacco, (Table-23) the cost was found to be the highest with respect to ST farmers (Rs.350.00), followed by other category farmers (Rs. 264.54), OBC (Rs. 203.75) and it was least in case of SC category farmers (Rs.181.53) among those who are using their own storage facility. In case of private hired services, per quintal average cost of storage was highest in others category farmers (Rs. 280.0), followed SC farmers (RS.700.00). Overall average cost of storage was highest in ST farmers (Rs.233.33/q) followed by other caste farmers (Rs.224.50/q) and OBC farmers (Rs.203.75/q) and it was least in SC farmers (RS.135.00).

Table-23. Farmers' social group-wise cost of storage of their produce by the respondents

(Rs/quintal)

Social category	Tobacco			Chilli		
	Own facility	Private Hired	Overall	Own facility	Private Hired	Overall
SC	181.53	70.00	135.00	37.22	-	37.22
ST	350.00	70.00	233.33	16.66	-	16.66
OBC	203.75	-	203.75	22.50	-	22.50
Others	204.54	280.00	224.50	84.45	65.00	74.35
Average	294.09	210.00	247.25	77.86	65.00	76.87

Similarly cost of chilli crop was highest in the case of other category farmers (Rs. 84.45/q), followed by SC farmers (Rs.41.87/q) and OBC farmers (Rs.36.00/q). It was least in ST farmers (Rs.16.66/q) as they had their own facility of storage.

Average cost of storage is presented in table 24, based on the year of schooling i.e., YS-1, YS-2, YS-3 and YS-4. The per quintal average cost of storage in tobacco crop was highest in YS-3 farmers (RS.389.50), followed by YS-2 (Rs.265.04) and YS-1 (Rs.135.00). It was least in YS-4 (Rs.107.50) as they had their own facility of storage.

Table-24. Education status-wise cost of storage of their produce by the respondents

(Rs/quintal)

Education status	Tobacco			Chilli		
	Own facility	Private Hired	Overall	Own facility	Private Hired	Overall
YS-1	135.00	-	135.00	85.71	70.00	80.00
YS-2	265.04	65.00	227.08	79.22	50.00	72.25
YS-3	389.50	50.00	312.10	64.00	-	50.00
YS-4	143.33	-	107.50	200.00	-	200.00
Average	294.09	210.00	247.25	77.86	65.00	76.87

In case of private hired type of storage, it was highest in YS-2 farmers (Rs.65.00), followed by YS-3 (Rs.50.00). Overall average cost of storage was highest in YS-3 farmers (Rs.312.10), followed by YS-2 farmers (Rs.227.08) and YS-4 (Rs.107.50). It was the least in YS-1 farmers (Rs.135.00).

Similarly, the per quintal cost of storage in case of chilli was highest (who were having their own storage facility) in YS-4 farmers (Rs.200.00), followed by YS-1 (Rs.857.14), YS-2 (Rs.79.22) and YS-3 (Rs.50.00). In case of farmers using hired private storage facility, the average cost of storage was highest in YS-1 farmers (Rs.70.00/q), followed by YS-2 farmers (Rs.50.00/q). Overall average cost of storage was highest in YS-4 farmers (Rs.200.00/q), followed by YS-1 (Rs.80.00/q) and YS-2 (Rs.72.25/q). It was least in case of YS-3 farmers (Rs.50.00/q).

In a nut shell, it could be summarized that, with respect to storage, majority of the farmer-respondents stored both tobacco and chilli for a moderate period of 1 to 3 months. The major reason for storage was expecting a higher price for their produce. In fact, immediately after harvest if the produce is sold, due to glut in the market, the farmers will not get a remunerative price. That is to say, higher the supply the price will be less. Hence, the farmers are storing their produce for a moderate period of 1 to 3 months. A few medium and large farmers stored their produce for a longer period also. Majority of the farmer-respondents have their own storage facilities, where they store both tobacco and chilli. The average cost of storage incurred by the respondents was to an extent of Rs.247.22/quintal of tobacco, whereas it was Rs. 76.87/quintal of chilli and the cost of storage was found to be less if the produce, both chilli and tobacco, is stored in private hired storages.

02. Processing activities taken up by the respondents

Processing is an important marketing activity in the value chain of agricultural marketing. In olden days, it was relatively an unimportant function in marketing. Major proportion of farm products was sold in unprocessed form and a great deal of the processing was done by the consumers themselves.

Many technological changes, such as the introduction of refrigeration, modern methods of milling, baking food grains, new processing methods for dairy products and modern methods of packing and preservation have made the processing an important value chain activity.

The processing activity involves a change in the form of the commodity. This function includes all of those essentially manufacturing activities which change the basic form of the product. Processing converts the raw material and brings the product nearer to human consumption. It is concerned with the addition of value to the product by changing its form. The main functions / advantages of processing of agricultural products, both primary and secondary processing, are listed below.

1) Processing is important both for the producer-seller and for the consumers. It increases the total revenue of the producers by regulating the supply against the demand. It makes it possible for the consumers to have the commodities in the form liked by them.

2) The processing increases the value of the food grains. It changes raw food and other farm products into adible, usable and palatable forms. The value added by processing to the total value produced at the farm level varies from product to product. It is nearly 7 per cent in rice and wheat, 79 per cent for cotton and 86 per cent for tea. It is generally higher for commercial crops than for food crops.

3) The processing activity generates employment. The textiles, baking industry, canning industry, brewing and distilling industry, confectionary industry, sugar industry, oil mills, flour mills, dal mills and rice mills provide employment to a large section of society.

4) Processing serves as an adjunct to other marketing functions, such as transportation, storage and merchandising.

5) Processed products can be sold at distant markets also. So it widens the scope of marketing.

6) Processing satisfies the needs of consumers at a lower cost. It saves the time of the consumers and relieves them of the difficulties and botheration experienced in processing.

a) Processing status of respondents

Processing of tobacco and chilli at the farmer level include simple processes like cleaning, proper drying and sorting. These activities will fetch a better price for the farmers on one hand and an assured uniform quality for the purchaser-cum-trader on the other hand.

Village-wise processing status of tobacco and chilli by the farmer-respondents is depicted in table 25. All the farmers have performed cleaning process of tobacco in all the villages. Majority of the chilli growers had performed cleaning operations in all the villages. On the other hand, less than 50 per cent of the chilli growers had performed operation of drying in Akkol, Bhoj and Mamadapur. None of the tobacco farmers had performed drying as a part of processing in the villages.

Table – 24.a - Processing of Chilly

Processing	Regulated	Unregulated
No	-	6.00
Cleaning	93.50	80.30
Drying	4.50	13.70
Sorting	3.00	-

Majority of the chilly producers in both regulated and unregulated markets have gone for cleaning process. 93.50%, 80.30% respectively.

Graph-3 processing of chilli

Table-25. Village-wise processing status of tobacco and chilli by the respondents

(%)

Villages	Tobacco		Chilli			
	No Proce-ssing	If processing	No Proc-essing	If processing		
		Cleaning		Cleaning	Drying	Sorting
Akkol	5.56	100.00	16.67	60.00	40.00	0.00
Bhoj	0.00	100.00	18.75	76.92	23.08	0.00
Examba	0.00	100.00	0.00	100.00	0.00	0.00
Galataga	11.11	100.00	11.11	87.50	0.00	12.50
Mamadapur	42.86	100.00	0.00	82.14	17.86	0.00
Nainglaj	0.00	100.00	0.00	100.00	0.00	0.00
Pangeri	0.00	100.00	0.00	100.00	0.00	0.00
Peerwadi	0.00	100.00	0.00	100.00	0.00	0.00
Total	**7.50**	**100.00**	**4.00**	**91.67**	**7.29**	**1.04**

None of the farmers had sorted chilli in all the project villages except Galataga (12.50%) village. Whereas 100 percent of cleaning process was done

in Examba, Nainglaj, Pangeri and Peerwadi villages, followed by Akkol (60%), Bhoj (76.92%), Galataga (87.50%) and Mamadapur (82.14%).

Farmer category-wise processing status of tobacco and chilli by the farmer-respondents is depicted in table 26. All the marginal, small, medium and large farmers followed cent per cent of cleaning process, whereas none of the farmers followed drying and sorting processes in tobacco and 16.67 per cent of medium farmers and 6.97 per cent of large farmers had not done processing for the tobacco crop.

Similarly in the case of chilli, none of the marginal, small and medium farmers followed drying and sorting process whereas small and medium farmers followed cent per cent of cleaning, followed by large farmers (91.11%). Drying of chilli (7.78%) and sorting (1.11%), eventhough done by large farmers, the magnitude is very poor.

Table-26. Category-wise processing status of tobacco and chilli

(%)

Farmers' category	Tobacco		Chilli			
	No Proce-ssing	If processing	No processing	If processing		
		Cleaning including chalki		Cleaning	Drying	Sorting
Marginal	0.00	100.00	100.00	0.00	0.00	0.00
Small	0.00	100.00	0.00	100.00	0.00	0.00
Medium	16.67	100.00	8.33	100.00	0.00	0.00
Large	6.99	100.00	3.23	91.11	7.78	1.11
Total	**7.50**	**100.00**	**4.00**	**91.67**	**7.29**	**1.04**

Processing status of the respondents is depicted in table 27 and the respondents are categorized based on the year of schooling into YS-1, YS-2,

YS-3 and YS-4. It can be seen from the table that all the farmers who were growing tobacco had carried out complete cleaning process (100%). But none of the farmers have carried out drying and sorting processes.

In case of chilli crop, YS-2 farmers have done 97.46 percent cleaning process followed by YS-3 farmers (83.61%), YS-1 farmers (80%) and YS-4 farmers (66.67%) among the respondents who had resorted to processing. YS-3 farmers have done highest drying activity (33.33%) followed by YS-1 farmers (20%), YS-3 farmers (13.11%) and YS-2 farmers (2.54%). Sorting process was done by YS-3 farmers only that too to an extent of 3.28%.

Table-27. Education level-wise processing status of tobacco and chilli

(%)

Education category	Tobacco		Chilli			
	No Proce-ssing	If processing	No proce-ssing	If processing		
		Cleaning including chalki		Cleaning	Drying	Sorting
YS-1	11.11	100.00	0.00	80.00	20.00	0.00
YS-2	5.17	100.00	3.39	97.46	2.54	0.00
YS-3	12.28	100.00	4.92	83.61	13.11	3.28
YS-4	33.33	100.00	33.33	66.67	33.33	0.00
Total	8.11	100.00	4.17	91.67	7.29	1.04

b) Cost of processing of tobacco and chilli by the respondents

The results of village-wise cost of processing of tobacco and chilli are analysed and presented as percentage in Table-28. From the table, it is clear that in the case of tobacco, the farmers in the selected villages spent Rs.741/Qtl as cleaning expenses, whereas, they did not incur any cost on drying and sorting of tobacco. The overall total cost was Rs.685/Qtl as processing cost of tobacco. In the case of chilli, the farmers spent Rs.10/Qtl for cleaning process

and amount was not spent for drying and sorting processes except in the cases of Akkol farmers (Rs.48/Qtl for drying process). Similarly the farmers of Galataga spent Rs.156/Qtl towards sorting as a processing activity. The overall cost/kg was Rs. 12/Qtl for chilli processing.

The farmer category-wise cost of processing was worked out and presented in Table-29. The results clearly indicated that, in the case of tobacco, marginal farmers spent the highest amount (Rs.1950/Qtl) as cleaning expenses, followed by medium farmers (Rs.1115/Qtl). The overall cost was Rs.741/Qtl. The overall cost was found to be Rs.685/Qtl. In the case of chilli, marginal and small farmers have not spent any amount for cleaning but medium and large farmers had spent Rs.18/ Qtl and Rs.9/ Qtl, respectively. Only large farmers have spent the amount for drying (Rs.24/ Qtl) and sorting (Rs.156/ Qtl) processes. The overall cost was Rs. 12/ Qtl of chilli processing.

With regard to the amount spent by different social groups for tobacco processing (Table-30), ST farmers spent Rs.1701/ Qtl, followed by OBC farmers (Rs.816/ Qtl) for cleaning activity. The overall cost was Rs.741/ Qtl The total cost was Rs.6.85/ Qtl of tobacco processing. With respect to chilli, ST farmers spent highest amount of Rs.21/ Qtl and overall cost was Rs.10/ Qtl cleaning activity. Only OBC and ST farmers had spent for drying and sorting processes. The overall cost was Rs. 12/ Qtl of chilli processing.

Table-28. Village-wise cost of processing of tobacco and chilli (Rs/quintal of produce)

Crop / Village	Cleaning			Drying			Sorting			Overall		
	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost
Tobacco												
Akkol	472	57	529	-	-	-	-	-	-	446	54	499
Bhoj	527	44	571	-	-	-	-	-	-	527	44	571
Examba	562	83	646	-	-	-	-	-	-	562	83	646
Galataga	878	66	944	-	-	-	-	-	-	780	59	839
Mamadapur	918	79	997	-	-	-	-	-	-	525	45	570
Nainglaj	593	68	660	-	-	-	-	-	-	593	68	660
Pangeri	1089	89	1178	-	-	-	-	-	-	1089	89	1178
Peerwadi	571	109	680	-	-	-	-	-	-	571	109	680
Overall	659	82	741	-	-	-	-	-	-	659	82	741
Chilli												
Akkol	17	-	17	41	7	48	-	-	-	22	2	25
Bhoj	9	-	9	-	-	-	-	-	-	6	-	6
Examba	29	-	29	-	-	-	-	-	-	29	-	29
Galataga	-	-	-	-	-	-	156	-	156	17	-	17
Mamadapur	17	-	17	-	-	-	-	-	-	15	-	15
Nainglaj	-	-	-	-	-	-	-	-	-	-	-	-
Pangeri	26	-	26	-	-	-	-	-	-	26	-	26
Peerwadi	3	-	3	-	-	-	-	-	-	3	-	3
Overall	10	-	10	41	7	48	156	-	156	11	-	12

Tobacco	Maximum	1089	109	1178
	Minimum	446	44	499
	Average	639.1	70.3	709.3
Chilli	Maximum	29	2	29
	Minimum	3	2	3

Graph No – 4 Average Minimum, Maximum cost of processing Tobacco and Chilli

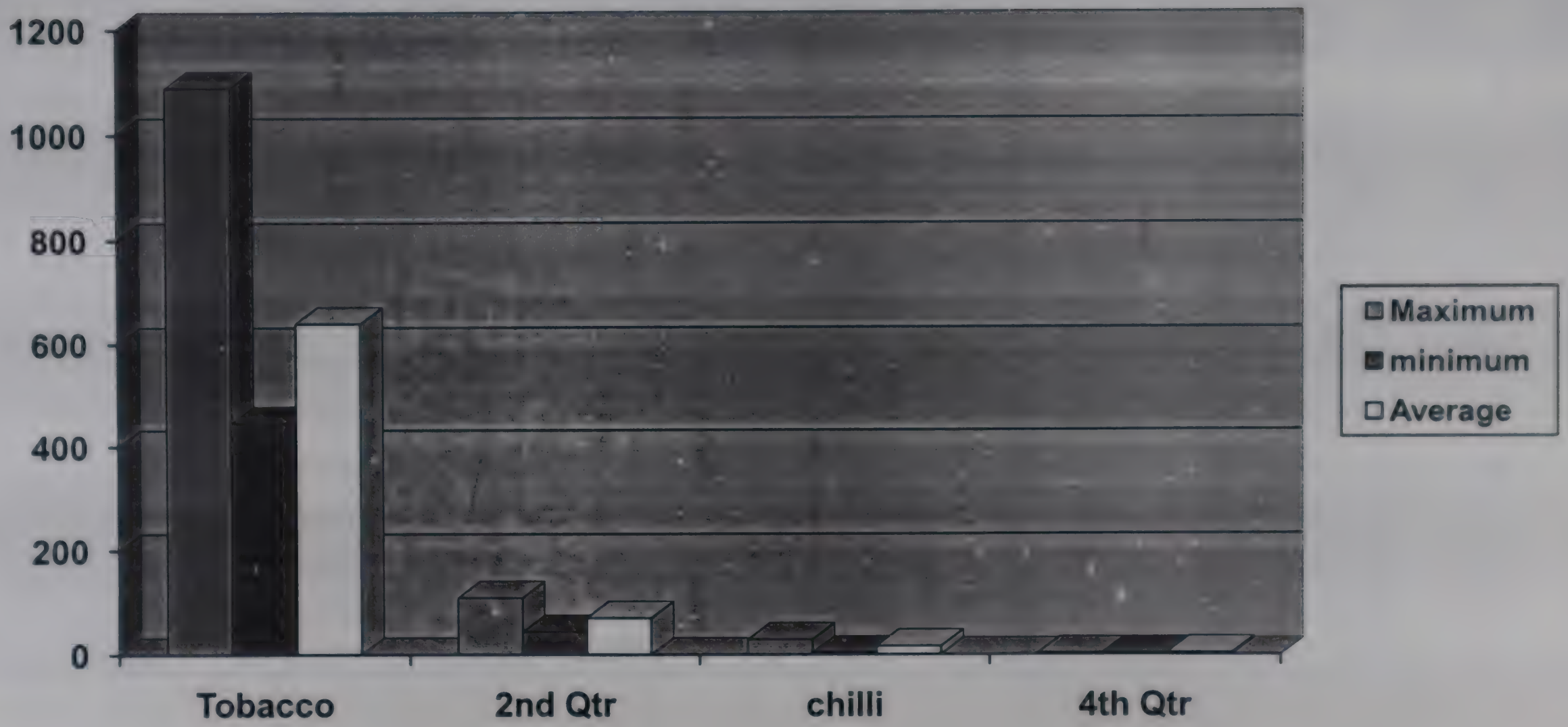


Table-29. Farmers' category-wise cost of processing of tobacco and chilli

(Rs/quintal of produce)

Activity	Cleaning			Drying			Sorting			Overall		
Crop / Farmer Type	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost
Tobacco												
Marginal	1950	-	1950	-	-	-	-	-	-	1950	-	1950
Small	50	20	70	-	-	-	-	-	-	50	20	70
Medium	912	203	1115	-	-	-	-	-	-	912	2.3	1115
Large	640	76	716	-	-	-	-	-	-	640	76	716
Overall	659	82	741	-	-	-	-	-	-	659	82	741
Chilli												
Marginal	-	-	-	-	-	-	-	-	-	-	-	-
Small	-	-	-	-	-	-	-	-	-	-	-	-
Medium	18	-	.18	-	-	-	-	-	-	17	-	17
Large	9	-	9	.21	4	24	156	-	156	11	-	11
Overall	10	-	10	.21	4	24	156	-	156	11	-	12

Table-30. Social group-wise cost of processing of tobacco and chilli by the farmer-respondents

(Rs/quintal of produce)

Activity	Cleaning			Drying			Sorting			Overall		
Crop / Social Group	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost	Labour Cost	Other Costs	Total Cost
Tobacco												
SC	478	83	561	-	-	-	-	-	-	478	83	561
ST	1134	-	1134	-	-	-	-	-	-	1134	-	1134
OBC	743	73	816	-	-	-	-	-	-	743	73	816
Others	608	77	684	-	-	-	-	-	-	608	77	684
Overall	659	82	741	-	-	-	-	-	-	659	82	741
Chilli												
SC	9	-	9	-	-	-	-	-	-	9	-	9
ST	14	-	14	-	-	-	-	-	-	14	-	14
OBC	6	-	6	61	21	83	-	-	-	19	5	24
Others	10	-	10	14	-	14	313	-	313	11	-	11
Overall	10	-	10	21	04	24	156	-	156	11	-	12

Processing cost of respondents with respect to years of schooling is represented in Table-31. For cleaning (including jardi) of tobacco, the overall cost was Rs.741/ quintal. It could be observed that, higher the education level of the respondents, the processing cost per unit of the produce will be less. With respect to chilli crop, the cleaning expenditure was Rs.10/ quintal,, for drying Rs. 24/ quintal, and for sorting Rs.156/ quintal, of chilli and the overall cost was Rs.12/ quintal, of chilli.

Table-31. Education level-wise processing cost of tobacco and chilli

(Rs/quintal. of produce)

Education level	Tobacco	Chilli			
	Cleaning Including chalki	Cleaning	Drying	Sorting	Overall
YS-1	926	18	-	-	18
YS-2	729	8	-	-	8
YS-3	763	10	41	156	18
YS-4	205	50	-	-	50
Overall	741	10	24	156	12

To summarise, it could be seen from the above tables that, 750 number of the farmers did not do any processing of tobacco, whereas 400 number of the farmers have not undertaken processing of chilli. Among the respondents who processed their produce before selling, all the respondents tookup cleaning of tobacco, which also involved chalki. In the case of chilli, 9110 number of the respondents who have takenup processing of their chilli cleaned chilli, followed by 729 number of the farmers who tookup drying of chilli. The cost of processing was as less as Rs. 12/ quintal of chilli as compared to Rs.741/quintal of tobacco.

- All the marginal, small, medium and large farmers followed cent per cent of cleaning process including chalki in tobacco, and 16.67 per cent of medium farmers and 6.97 per cent of large farmers had not done processing for the tobacco crop.

- ❖ None of the marginal, small and medium farmers followed drying and sorting process in chilli, whereas small and medium farmers followed cent per cent of cleaning, followed by large farmers (91.11%). Drying of chilli (7.78%) and sorting (1.11%), even though done by large farmers, the magnitude is very poor.
- ❖ Marginal farmers spent the highest amount (Rs.1950/quintal) as cleaning expenses in tobacco, followed by medium farmers (Rs.1115/ Qtl). The overall cost was Rs.741/ Qtl. The overall cost was found to be Rs.685/ Qtl All the marginal, small, medium and large farmers followed cent per cent of cleaning process including chalki in tobacco, and 16.67 per cent of medium farmers and 6.97 per cent of large farmers had not done processing for the tobacco crop.
- ❖ None of the marginal, small and medium farmers followed drying and sorting process in chilli, whereas small and medium farmers followed cent per cent of cleaning, followed by large farmers (91.11%). Drying of chilli (7.78%) and sorting (1.11%), even though done by large farmers, the magnitude is very poor.
- ❖ Marginal farmers spent the highest amount (Rs.1950/quintal) as cleaning expenses in tobacco, followed by medium farmers (Rs.1115/ Qtl). The overall cost was Rs.741/ Qtl. The overall cost was found to be Rs.685/ Qtl.
- ❖ Marginal and small farmers have not spent any amount for cleaning but medium and large farmers had spent Rs.18/Quintal and Rs.9/quintal, respectively with respect to chilli. Only large farmers have spent the amount for drying (Rs.24/ quintal, and sorting (Rs.156/ quintal,) processes. The overall cost was Rs. 12/ quintal, of chilli processing.

03. Packaging of tobacco and chilli taken up by the respondents

Packaging is the first function performed in the marketing of agricultural commodities. It is required for all the farm products at every stage of the marketing process. The type of the container used in the packaging of

commodities varies with the type of the commodity as well as with the stage of marketing. Eg. Gunny bags are used for cereals, pulses and oil seeds. For packaging milk or milk products plastic, polythene, aluminium, tin or glass containers are used; wooden boxes or straw/ bamboo baskets are used for packaging fruits and vegetables.

The terms packing and packaging are interchangeably used. Packing means, the wrapping and crating of goods before they are transported. Goods have to be packed either to preserve them or for delivery to buyers. Packaging is a part of packing which means placing the goods in small packages like bags, bottles, boxes, wrappers or parcels for sale to ultimate consumers. In other words, it means putting goods on the market in the size and pack which are convenient for the buyers.

Packaging is a very useful function in the marketing process of agricultural commodities. Most of the commodities are packed with a view to preserving and protecting their quality and quantity during the period of transit and storage for some commodities, packing acts as a powerful tool. Major advantages / functions of packing and packaging are given below.

1. It protects the goods against breakage, spoilage, leakage during their movement from production to consumption point.
2. The packaging of some commodities involves compression, which reduces the bulk like cotton, jute and wool.
3. It facilitates the handling of the commodity, specially such fruits as apples, mangoes, etc., during storage and transportation.
4. Packaging helps in reducing the marketing costs by reducing the handling and retailing costs.
5. It helps in checking adulteration.
6. Packaging ensures cleanliness of the product.

7. Packaging with labeling facilitates the conveying of instructions to the buyers as to how to use or preserve the commodity. The label shows the composition of the product.

8. Packaging prolongs the storage quality of the products by providing protection from the ill effects of weather, specially for fruits, vegetables and other perishable goods.

In recent years, there have been many new developments in the use of the materials for packaging the products. Most of these have been in the area of packaging for consumers with a view to making the commodity more attractive. The introduction of fiber board containers, polythene, Polly shell and multiwall paper bags are some of the innovations in this direction.

Though packaging is advantageous, it adds to the cost of the product. Some of these are rather fanciful and add more to the cost than to the utility of the product. In order to reduce the packaging cost, unnecessary use of fancy packaging material should be avoided. In general, the material used for packaging must have characteristics like (i) The material must have protective strength; (ii) It should be attractive; (iii) Consumer convenience, (iv) Economical and (v) Free from chemical reaction.

Tobacco and chilli, the two agricultural products considered in the present study, will have to be packed well before they are transported to the markets, where the farmers want to sell. The main items of cost in packaging of tobacco and chilli are the cost of the packing material and the cost of labour towards packing. Details of costs incurred towards labour and packing material, mainly the gunny bags, are elicited hereunder.

Cost of packaging of the commodities, village-wise by the farmer-respondents is depicted in Table 32. It can be seen that in the case of tobacco that, cost of packaging was highest with respect to the respondents of Pangeri village (Rs.537/quintal), followed by Naingal (Rs.503/quintal) and Peerwadi (Rs. 482/quintal), and it was lowest in Galataga (Rs.265/quintal) village farmer-respondents.

Table-32. Village-wise packaging cost of tobacco and chilli incurred by the respondents (Rs/quintal of produce)

Village	Tobacco			Chilli		
	Labour	Gunny bags	Total	Labour	Gunny bags	Total
Akkol	198	130	328	244	69	313
Bhoj	216	128	344	291	86	377
Examba	329	154	483	309	82	391
Galataga	135	127	262	352	169	521
Mamadapur	196	139	335	319	77	396
Nainglaj	358	145	503	338	168	507
Pangeri	363	175	537	1125	129	1254
Peerwadi	342	139	482	1295	535	1831
Overall	**282**	**141**	**424**	**848**	**239**	**1087**
Maximum	363	175	537	1295	535	1831
Minimum	135	127	262	244	69	313
Average	267.1	142.1	409.3	534.1	164.4	698.8

In the case of chilli, the cost packaging was highest with respect to the respondents of Peerwadi village (Rs.1831/quintal), followed by Pangeri (Rs.1254/quintal) and Galataga (Rs.521/quintal), and it was least in Akkol (Rs.313/quintal) village farmers.

Cost of packaging of the commodities, farmer category-wise by the farmer-respondents is depicted in Table 33. It is evident from the table that, medium farmers incurred the highest cost on packaging (Rs.540/quintal, followed by large farmers (Rs.49/quintal), marginal farmers (Rs.221/quintal) and the lowest cost of packaging of tobacco was found in the case of small farmers (Rs.130/quintal). Labour cost was found to be higher than the cost of gunny bags as the items of packaging process in all the cases.

Table-33. Farmers' category-wise packaging cost of tobacco and chilli incurred by the respondents (Rs/quintal of produce)

Farmers' category	Tobacco			Chilli		
	Labour	Gunny bags	Total	Labour	Gunny bags	Total
Marginal	221	-	221	-	-	-
Small	50	80	130	125	100	225
Medium	316	224	540	964	246	1210
Large	282	137	419	845	240	1086
Overall	**282**	**141**	**424**	**848**	**239**	**1087**

On the other hand, in the case of chilli, as the size of the land holdings increased, the cost of packaging per quintal of chilli also increased; medium farmers incurred the highest packaging cost (Rs.1210/quintal), followed by medium farmers (Rs.1086/quintal) and small farmers (Rs.225/quintal), whereas the marginal farmers did not incur any cost on packaging of chilli, as the quantity of chilli produced was very less and they marketed their chilli produce as it is.

Cost of packaging of the commodities, farmer social group-wise by the farmer-respondents is depicted in Table 34. It could be seen from the table that, irrespective of the crop, whether tobacco or chilli, the cost of labour was more than the cost of packaging material used in packaging by all the social groups of the farmer-respondents. On an average, the farmers incurred a cost of Rs.282/quintal of tobacco on labour and that on gunny bags was Rs.141/quintal, making the total cost of packaging to Rs.424/quintal Similarly, with respect to chilli, the corresponding figures were Rs.848/ quintal, Rs.239/ quintal and Rs.1087/ quintal

Table-34. Farmers' social group-wise packaging cost of tobacco and chilli incurred by the respondents (Rs/ quintal of produce)

Social Group	Tobacco			Chilli		
	Labour	Gunny bags	Total	Labour	Gunny bags	Total
SC	201	110	312	846	192	1037
ST	334	139	473	304	111	415
OBC	443	198	640	397	92	490
Others	282	142	424	872	253	1124
Overall	**282**	**141**	**424**	**848**	**239**	**1087**

It can be observed from Table-35 that, among all the type of farmers, the cost of packaging of tobacco was high in the case of YS-2 farmers (Rs.444/ quintal), followed by YS-3 farmers (Rs.417/ quintal). And it was least in case of YS-4 farmers (Rs.169/ quintal).

Table-35. Education level of the respondents and the packaging cost of tobacco and chilli incurred (Rs/ quintal of produce)

Education group	Tobacco			Chilli		
	Labour	Gunny bags	Total	Labour	Gunny bags	Total
YS-1	187	124	311	527	117	645
YS-2	297	148	444	1008	250	1257
YS-3	282	135	417	895	248	1142
YS-4	.96	73	169	521	60	582
Overall	**282**	**141**	**424**	**8.48**	**239**	**1087**

In the case of chilli, the cost of packaging was highest in YS-2 farmers (Rs.1257/ quintal), followed by YS-3 farmers (Rs.1142/ quintal), and it was least in case of YS-4 farmers (Rs. 582/ quintal.

04. Place of marketing of tobacco and chilli by the respondents

Distribution of respondents by place of marketing, village-wise, is represented in table 36. In the case of tobacco, all the farmers (100%) from

Akkol, Bhoj, Examba, Mamadapur, Nainglaj, Pangeri and Peerwadi villages marketed tobacco in their villages only. In the case of respondents of Galataga village, 77.78 per cent of farmers marketed tobacco in Galataga village and remaining 16.67 per cent in town and hardly 5.56 per cent of the farmers marketed in taluk headquarters. But none of farmers marketed their tobacco at APMC or District head quarters, or to the processor.

Table-36. Distribution of farmer-respondents based on their village and place of marketing of tobacco and chilli

(% of respondents)

Crop / Village	Village	Town	Taluk HQ	APMC	Dist. HQ	Processor
Tobacco						
Akkol	100.00	0.00	0.00	0.00	0.00	0.00
Bhoj	100.00	0.00	0.00	0.00	0.00	0.00
Examba	100.00	0.00	0.00	0.00	0.00	0.00
Galataga	77.78	16.67	5.56	0.00	0.00	0.00
Mamadapur	100.00	0.00	0.00	0.00	0.00	0.00
Nainglaj	100.00	0.00	0.00	0.00	0.00	0.00
Pangeri	100.00	0.00	0.00	0.00	0.00	0.00
Peerwadi	100.00	0.00	0.00	0.00	0.00	0.00
Total	**98.00**	**1.50**	**0.50**	**0.00**	**0.00**	**0.00**
Chilli						
Akkol	27.78	61.11	0.00	5.56	0.00	5.56
Bhoj	12.50	12.50	31.25	43.75	0.00	0.00
Examba	0.00	15.00	0.00	85.00	0.00	0.00
Galataga	0.00	27.78	5.56	38.89	16.67	11.11
Mamadapur	0.00	14.29	0.00	82.14	0.00	3.57
Nainglaj	16.00	84.00	0.00	0.00	0.00	0.00
Pangeri	6.67	93.33	0.00	0.00	0.00	0.00
Peerwadi	3.33	96.67	0.00	0.00	0.00	0.00
Total	**7.00**	**59.00**	**3.00**	**27.50**	**1.50**	**2.00**

In the case of chilli, 27.78 per cent of Akkol farmers, 12.50 per cent of Bhoj farmers, 16 per cent of Nainglaj farmers, 6.67 per cent of Pangeri farmers

and 3.33 per cent of Peerwadi farmers marketed their produce (chilli) in village itself. Since there is lot of demand for chilli in the neighbouring cities and towns, 96.67 per cent of Peerwadi farmers, 93.33 per cent of Pangeri farmers, 84 per cent of Naingalj farmers, 61.11 per cent of Akkol farmers and 27 per cent of Galataga farmers marketed their crop in the cities and towns. Only the farmers of Bhoj (31.25%) and Galataga (5.56%) marketed their produce to Taluka HQ. Since chilli is a notified commodity in APMCs, as much as 82.14 per cent of Mamadapur farmers, 38.89 per cent of Galataga farmers, 85 per cent of Examba farmers, 43.75 per cent of Bhoj farmers and 5.56 per cent of Akkol farmers marketed their produce to APMC. Hardly 16.67 per cent of Galataga farmers marketed their produce to district head quarters and Only 11.11 per cent of Galataga farmers and 3.57 per cent of Mamadapur farmers marketed their chilli produce to Processor.

Distribution of respondents by place of marketing, farmers' land holding category-wise, is represented in Table-37. The farmers are categorized into marginal, small, medium and large farmers. Majority of the tobacco farmers marketed their produce (tobacco) in the village itself. Hardly 16.67 per cent of medium farmers and 0.54 per cent of large farmers marketed tobacco in town. Only 0.54 per cent of large farmers marketed their produce in taluk head quarters.

In the case of chilli, the majority of the farmers marketed their produce (chilli) in town (small farmers-100%, medium farmers-58.33% and large farmers-59.14%). Since the quantity produced was less, the small farmers could sell in the towns and as the marginal farmers managed to take their chilli produce to APMC and sell. Similarly 27.96 per cent of large farmers and 16.67 per cent of medium farmers also sold their chilli in APMCs. Only 8.33 per cent of medium farmers and 1.08 per cent of large farmers marketed in district head quarters. And hardly 8.33 per cent of medium farmers and 1.61 per cent of large farmers marketed their produce to processor.

Table-37. Distribution of farmer-respondents based on farmers' category and place of marketing of tobacco and chilli

(% of respondents)

Crop / Farmer category	Village	Town	Taluk HQ	APMC	Dist. HQ	Processor	Total
Tobacco							
Marginal	100.00	0.00	0.00	0.00	0.00	0.00	100.00
Small	100.00	0.00	0.00	0.00	0.00	0.00	100.00
Medium	83.33	16.67	0.00	0.00	0.00	0.00	100.00
Large	98.92	0.54	0.54	0.00	0.00	0.00	100.00
Total	98.00	1.50	0.50	0.00	0.00	0.00	100.00
Chilli							
Marginal	0.00	0.00	0.00	100.00	0.00	0.00	100.00
Small	0.00	100.00	0.00	0.00	0.00	0.00	100.00
Medium	8.33	58.33	0.00	16.67	8.33	8.33	100.00
Large	6.99	59.14	3.23	27.96	1.08	1.61	100.0
Total	7.00	59.00	3.00	27.50	1.50	2.00	100.00

With respect to marketing of tobacco by social category of the farmer-respondents, majority the farmers marketed their produce (tobacco) in village itself (98.00%), followed by marketing in the towns (1.50%) and in taluk head quarters (0.50%) (Table-38). In the case of chilli, majority of the farmers (59.00%) marketed their produce in town, followed by in the APMCs (27.50%), own villages (7.00%) and in Taluk head quarters (3.00%). Across the social groups, the respondents of different social groups sold tobacco in the villages. Similar trend was observed with respect to marketing of chilli by different social group farmers in APMCs.

Table-38. Distribution of farmer-respondents based on farmers' social group and place of marketing of tobacco and chilli

(% of respondents)

Crop / Social group	Village	Town	Taluk HQ	APMC	Dist. HQ	Processor	Total
Tobacco							
SC	100.00	0.00	0.00	0.00	0.00	0.00	100.00
ST	100.00	0.00	0.00	0.00	0.00	0.00	100.00
OBC	100.00	0.00	0.00	0.00	0.00	0.00	100.00
Others	97.66	1.75	0.58	0.00	0.00	0.00	100.00
Total	98.00	1.50	0.50	0.00	0.00	0.00	100.00
Chilli							
SC	0.00	66.67	5.56	27.78	0.00	0.00	100.00
ST	33.33	33.33	0.00	33.33	0.00	0.00	100.00
OBC	12.50	62.50	0.00	25.00	0.00	0.00	100.00
Others	7.02	58.48	2.92	27.49	1.75	2.34	100.00
Total	7.00	59.00	3.00	27.50	1.50	2.00	100.00

Table-39. Distribution of farmer-respondents based on farmers' education category and place of marketing

(% of respondents)

Crop / Education cetegory	Village	Town	Taluk HQ	APMC	Dist. HQ	Processor	Total
Tobacco							
YS-1	100.00	0.00	0.00	0.00	0.00	0.00	100.00
YS-2	97.54	1.64	0.82	0.00	0.00	0.00	100.00
YS-3	98.44	1.56	0.00	0.00	0.00	0.00	100.00
YS-4	100.00	0.00	0.00	0.00	0.00	0.00	100.00
Total	98.00	1.50	0.50	0.00	0.00	0.00	100.00
Chilli							
YS-1	0.00	50.00	10.00	40.00	0.00	0.00	100.00
YS-2	5.74	67.21	2.46	19.67	2.46	2.46	100.00
YS-3	9.38	45.31	3.13	40.63	0.00	1.56	100.00
YS-4	25.00	50.00	0.00	25.00	0.00	0.00	100.00
Total	7.00	59.00	3.00	27.50	1.50	2.00	100.00

Similar results were observed when the farmer-respondents were classified based on their educational category, as indicated in Table-39. Majority of the farmers who were divided on the basis of year of schooling marketed tobacco (98.00%) in village itself and in case of chilli, it was town (59%), followed by APMC (27.50%).

05. Time of marketing of tobacco and chilli by the respondents

The farmers face financial problems at every step of production and marketing process. They have to pay for inputs and labour at the time of sowing and have to purchase pesticides, fertilizers, insecticides, weedicides, etc., and pay the wages for the labour hired during cultivation and during harvest, apart from meeting the financial obligations and expenses of his family. Hence, the farmer requires cash at every stage of his life. Medium and large farmers, who are resource rich, do not find it very difficult to manage the funds, whereas the marginal and small farmers are deprived of this. Hence, the decision regarding marketing of their produce depends on the immediate financial commitments of the farmers.

An attempt has been made in the present study the selling behavior of the farmer-respondents on time of marketing of their produces, mainly tobacco and chilli and the reasons for their selling behavior.

Distribution of respondents, village-wise, by time and waiting period to marketing of the produce is presented in Table-40. It could be seen from the table that, 42 per cent of the villagers marketed their produce (tobacco) immediately after harvest, followed by 31.50 per cent of farmers waited for atleast 6 months, waiting for 3 to 6 months (15.00%) and waiting for 1 to 3 months (11.50%). It could be noticed that, all the farmers of Bhoj village sold tobacco immediately after harvest and none of the farmers of Nainglaj sold immediately after harvest. In the case of chilli, 75.00 per cent of the villagers marketed their produce immediately after harvest, followed by 9.00 per cent of the farmers waited for atleast 6 months and 8.00 per cent of the farmers waited for a period of 1 to 3 months and 3 to 6 months.

Table-40. Distribution of farmer-respondents based on village and the time and waiting period to market their produce

(% of respondents)

Crop / Village	Immediately after harvest A	1 to 3 months waiting B	3 to 6 months waiting C	More than 6 months waiting D	Sub-Total (B C D	Total A+B+C+D
Tobacco						
Akkol	94.44	0.00	5.56	0.00	5.56	100.00
Bhoj	100.00	0.00	0.00	0.00	0.00	100.00
Examba	50.00	5.00	45.00	0.00	50.00	100.00
Galataga	55.56	16.67	27.78	0.00	44.44	100.00
Mamadapur	57.90	5.26	36.84	0.00	42.10	100.00
Nainglaj	0.00	72.00	20.00	8.00	100.00	100.00
Pangeri	60.00	0.00	0.00	40.00	40.00	100.00
Peerwadi	3.33	0.00	5.00	91.67	96.67	100.00
Total	42.00	11.50	15.00	31.50	58.00	100.00
Chilli						
Akkol	94.44	0.00	5.56	0.00	5.56	100.00
Bhoj	81.25	0.00	6.25	12.50	18.75	100.00
Examba	70.00	10.00	5.00	15.00	30.00	100.00
Galataga	72.22	5.56	22.22	0.00	27.78	100.00
Mamadapur	52.63	0.00	31.58	15.79	47.37	100.00
Nainglaj	76.00	4.00	12.00	8.00	24.00	100.00
Pangeri	73.33	13.33	0.00	13.33	26.67	100.00
Peerwadi	73.33	16.67	0.00	10.00	26.67	100.00
Total	75.00	8.00	8.00	9.00	25.00	100.00

Table-41 represents distribution of respondents by time and waiting period to marketing of the produce by different category of farmers. It could be observed from the table that, cent per cent of the marginal and small farmers sold tobacco immediately after harvest, whereas, 25.00 and 42.47 per cent of the medium and large farmers sold tobacco immediately after harvest. Similar

trend was observed with respect to time and waiting period to marketing of the chilli by the farmer-respondents. Since the withholding capacity of the marginal and small farmers is less, most of them sold both tobacco and chilli immediately after harvest.

Table-41. Distribution of farmer-respondents based on farmers' category and the time and waiting period to market their produce

(% of respondents)

Crop / Farmers' Category	Immediately after harvest A	1 to 3 months waiting B	3 to 6 months waiting C	More than 6 months waiting D	Sub-Total (B C D	Total A+B+C +D
Tobacco						
Marginal	100.00	0.00	0.00	0.00	0.00	100.00
Small	100.00	0.00	0.00	0.00	0.00	100.00
Medium	25.00	41.67	25.00	8.33	75.00	100.00
Large	42.47	9.68	14.52	33.33	57.53	100.00
Total	42.00	11.50	15.00	31.50	58.00	100.00
Chilli						100.00
Marginal	100.00	0.00	0.00	0.00	0.00	100.00
Small	100.00	0.00	0.00	0.00	0.00	100.00
Medium	66.67	8.33	25.00	0.00	33.33	100.00
Large	75.27	8.06	6.99	9.68	24.73	**100.00**
Total	75.00	8.00	8.00	9.00	25.00	100.00

The distribution of respondents by time and waiting period to marketing of the produce according to the social category is represented in Table-42. It could be seen from the table that, the percentage of farmers who sold immediately harvest ranged between 33.33 in the case of SC farmers and 66.67 in the case of ST farmers with respect to tobacco. In the case of chilli, it ranged between 66.67 in the case of ST farmers and 77.78 in the case of SC farmers. On the whole, 42.00 per cent of the farmers sold tobacco immediately after harvest, followed by waiting for more than 6 months. Similar trend was observed with respect to chilli also.

Table-42. Distribution of farmer-respondents based on social group and the time and waiting period to market their produce

(% of respondents)

Crop / Social Group	Immediately after harvest A	1 to 3 months waiting B	3 to 6 months waiting C	More than 6 months waiting D	Sub-Total (B C D	TOTAL
Tobacco						
SC	33.33	22.22	16.67	27.78	66.67	100.00
ST	66.67	0.00	0.00	33.33	33.33	100.00
OBC	62.50	0.00	12.50	25.00	37.50	100.00
Others	41.52	11.11	15.20	32.16	58.48	100.00
Total	42.00	11.50	15.00	31.50	58.00	100.00.
Chilli						
SC	77.78	11.11	5.56	5.56	22.22	100.00
ST	66.67	0.00	33.33	0.00	33.33	100.00
OBC	75.00	12.50	0.00	12.50	25.00	100.00
Others	74.85	7.60	8.19	9.36	25.15	100.00
Total	75.00	8.00	8.00	9.00	25.00	100.00

The distribution of respondents by time and waiting period to marketing of the produce according to their education category is represented in Table-42. Similar trend was observed with respect to time and waiting period to market their produces, across the education category.

Table-43. Distribution of farmer-respondents based on education category and the time and waiting period to market

(% of respondents)

Crop / Education Category	Immediately after harvest	1 to 3 months waiting	3 to 6 months waiting	More than 6 months waiting	Sub-Total (B C D	TOTAL
	A	B	C	D		
Tobacco						
YS-1	40.00	0.00	40.00	20.00	60.00	100.00
YS-2	37.70	12.30	11.48	38.52	62.30	100.00
YS-3	46.88	12.50	18.75	21.88	53.13	100.00
YS-4	100.00	0.00	0.00	0.00	0.00	100.00
Total	42.00	11.50	15.00	31.50	58.00	100.00
Chilli						
YS-1	60.00	30.00	0.00	10.00	40.00	100.00
YS-2	76.23	7.38	6.56	9.84	23.77	100.00
YS-3	73.44	6.25	12.50	7.81	26.56	100.00
YS-4	100.00	0.00	0.00	0.00	0.00	100.00
Total	75.00	8.00	8.00	9.00	25.00	100.00

From the previous tables, Table-40 to Table-43, it was observed that, around 42 per cent and 75 per cent of the respondents sold tobacco and chilli respectively, immediately after harvest. Therefore, an attempt was made to know the reasons for such actions by those farmers, who sold their produce immediately after harvest.

Distribution of respondents by reasons for immediate sale of the produce is represented in Table-44.

Table-44. Distribution of farmer-respondents based on village and reasons for immediate sale of the produce

(% of respondents)

Crop / Village	Absence of storage facility	Small quantity of produce	Repayment of old debt	Lack of withholding capacity	Previous agree-ments	Loans from trader
Tobacco						
Akkol	58.82	11.76	0.00	5.88	0.00	5.88
Bhoj	50.00	18.75	0.00	12.50	0.00	0.00
Examba	0.00	0.00	70.00	10.00	0.00	20.00
Galataga	10.00	50.00	10.00	10.00	10.00	0.00
Mamadapur	20.00	0.00	30.00	35.00	0.00	10.00
Nainglaj	-	-	-	-	-	-
Pangeri	33.33	0.00	0.00	66.67	0.00	0.00
Peerwadi	0.00	0.00	0.00	100.00	0.00	0.00
Total	30.95	11.90	16.67	23.81	1.19	5.95
Chilli						
Akkol	11.76	23.53	5.88	5.88	0.00	23.53
Bhoj	7.69	30.77	23.08	30.77	0.00	0.00
Examba	14.29	21.43	14.29	7.14	0.00	28.57
Galataga	0.00	7.69	38.46	53.85	0.00	0.00
Mamadapur	36.84	5.26	0.00	5.26	10.53	31.58
Nainglaj	68.42	5.26	10.53	0.00	0.00	5.26
Pangeri	45.45	27.27	0.00	0.00	0.00	9.09
Peerwadi	72.73	4.55	22.73	0.00	0.00	0.00
Total	41.33	12.67	15.33	9.33	1.33	10.67

In the case of tobacco, 30.95 per cent of the farmers revealed that, absence of storage facility in the villages was the reasons for immediate sales, Lack of withholding capacity (23.81%), repayment of old debt (16.67%), small quantity of produce (11.90%), loans from trader (5.95%) and previous agreements (1.19%) as the other reasons for immediate sale of the produce.

In the case of chilli also, majority (41.33%) of farmers revealed that absence of storage facility as the main reason for immediate sale of the produce.

Next in the list of reasons was repayment of old debt (15.33%), followed by small quantity of produce (12.67%), loans from trader (10.67%), lack of withholding capacity (9.33%) and previous agreements (1.33%). Across the villages, it could be pointed out that, 70.00 per cent of the farmers of Examba village, who sold tobacco immediately harvest, expressed that repayment of the old debts was the reason behind not holding the produce after harvest. On the other hand, all the farmer-respondents of Peerwadi expressed that lakh of holding capacity was the reason. In the case of Chilli, which is a notified commodity in APMCs, more than 10 per cent of the farmers opined that, the main reason for immediate sale of Chilli is to repay loans taken from the traders.

Distribution of respondents by reasons for immediate sale of the produce based on the farmer category is represented in Table-45. In the case of tobacco, all the marginal farmers revealed that absence of storage facility as the major reason. Small quantity of the produce was major reason for immediate sale as opined by small farmers. In the case of medium farmers, absence of storage facility, small quantity of produce and lack of withholding capacity (33.33% each) were the major reasons for immediate sale of tobacco. Among the large farmers who sold tobacco immediately harvest, 30.38 per cent of them responded that absence of storage facility as the major reason, followed by lack of withholding capacity (24.05%), repayment of old debt (17.72%), small quantity of produce (10.13%), loans from trader (6.33%) and previous agreements (1.27%).

Table-45. Distribution of farmer-respondents based on farmers' category and reasons for immediate sale of the produce

(% of respondents who sold immediately after harvest)

Crop / farmers' category	Absence of storage facility	Small quantity of produce	Repayment of old debt	Lack of withholding capacity	Previous agree-ments	Loans from trader
Tobacco						
Marginal	100.00	0.00	0.00	0.00	0.00	0.00
Small	0.00	100.00	0.00	0.00	0.00	0.00
Medium	33.33	33.33	0.00	33.33	0.00	0.00
Large	30.38	10.13	17.72	24.05	1.27	6.33
Total	30.95	11.90	16.67	23.81	1.19	5.95
Chilli						
Marginal	0.00	0.00	0.00	0.00	0.00	100.00
Small	0.00	0.00	100.00	0.00	0.00	0.00
Medium	37.50	12.50	25.00	12.50	0.00	0.00
Large	42.14	12.86	14.29	9.29	1.43	10.71
Total	41.33	12.67	15.33	9.33	1.33	10.67

In the case of chilli, all the marginal farmers revealed that loans from trader as the major reason for immediate sale, as these farmers have borrowed funds from traders in APMCs. Repayment of old debt was major reason for immediate sale in the case of small farmers. In the case of medium farmers, absence of storage facility (37.50%), repayment of old debt (25%), small quantity of produce (12.50%) and lack of withholding capacity (12.50%) were the major reasons for immediate sale of chilli as envisaged by the farmer-respondents. Absence of storage facility was the reason for immediate sales of large farmers (42.14%), followed by repayment of old debt (14.29%), small quantity of produce (12.86%), loans from trader (10.71%), lack of withholding capacity (9.29%) and previous agreements (1.43%).

Distribution of respondents by reasons for immediate sale of the produce based on the social category is represented in Table-463. In the case of tobacco crop, the major reason for immediately sale of the produce for SC farmers was lack of withholding capacity (66.67%), followed by absence of storage facility (33.33%). In the case of ST farmers, absence of storage facility and small

quantity of produce (50.00% each) were the reasons for immediate sale. In the case of OBC farmers, lack of withholding capacity was the major reason (60.00%), followed by small quantity of the produce (40%). With respect to other category farmers, absence of storage facility was the major problem (32.39%). Repayment of old debt (19.72%), lack of withholding capacity (18.31%), small quantity of produce (11.27%), loans from trader (7.04%) and previous agreements (1.41%) were the other reasons for immediate sale.

Table-46. Distribution of farmer-respondents based on social group of the farmers and reasons for immediate sale of the produce

(% of respondents)

Crop / social group	Absence of storage facility	Small quantity of produce	Repayment of old debt	Lack of withholding capacity	Previous agree-ments	Loans from trader
Tobacco						
SC	33.33	0.00	0.00	66.67	0.00	0.00
ST	50.00	50.00	0.00	0.00	0.00	0.00
OBC	0.00	20.00	0.00	60.00	0.00	0.00
Others	32.39	11.27	19.72	18.31	1.41	7.04
Total	30.95	11.90	16.67	23.81	1.19	5.95
Chilli						
SC	64.29	14.29	7.14	0.00	0.00	7.14
ST	50.00	50.00	0.00	0.00	0.00	0.00
OBC	50.00	0.00	16.67	16.67	0.00	16.67
Others	38.28	12.50	16.41	10.16	1.56	10.94
Total	41.33	12.67	15.33	9.33	1.33	10.67

In case of chilli, the major reason for immediately sale of the produce for SC farmers was lack of absence of storage facility (64.29%), followed by small quantity of produce (14.29%), repayment of old debt (7.14%) and loans from trader (7.14%). In the case of ST farmers, absence of storage facility and small quantity of produce (50.00% each) were the reasons for immediate sale. In the case of OBC farmers, absence of storage facility (50.00%), followed by repayment of old debt (16.67%), lack of withholding capacity (16.67%) and loans from trader (16.67%) were the reasons for immediate sale. With respect to other category farmers, absence of storage facility was the major problem (38.28%), followed by small quantity of produce (12.50%), loans from trader (10.94%), repayment of old debt (10.41%), lack of withholding capacity (10.16%) and previous agreements (1.56%) were the major reasons for immediate sale.

Distribution of respondents by reasons immediately sale of the produce based on their education classification is represented in Table-47.

Table-47. Distribution of the respondents based on their education category and reasons for immediate sale of the produce

(% of respondents)

Crop / Education Category	Absence of storage facility	Small quantity of produce	Repayment of old debt	Lack of withholding capacity	Previous agree-ments	Loans from trader
Tobacco						
YS-1	50.00	0.00	25.00	0.00	0.00	25.00
YS-2	23.91	15.22	19.57	23.91	0.00	8.70
YS-3	40.00	10.00	13.33	26.67	3.33	0.00
YS-4	25.00	0.00	0.00	25.00	0.00	0.00
Total	30.95	11.90	16.67	23.81	1.19	5.95
Chilli						
YS-1	60.00	0.00	0.00	30.00	0.00	10.00
YS-2	46.36	14.55	18.18	4.55	0.91	10.00
YS-3	44.64	7.14	10.71	7.14	1.79	12.50
YS-4	50.00	0.00	0.00	50.00	0.00	0.00
Total	46.67	11.11	14.44	7.78	1.11	10.56

In the case of tobacco crop, absence of storage facility (30.95%) was the major reason, followed by lack of withholding capacity (23.81%) and repayment of old debt (16.67%) were the major reasons for immediate sale, as opined by the respondents. In the case of Chilli, absence of storage facility was the major reason (46.67%) followed repayment of old debt (14.44%) and small quantity of produce (11.11%) were the major reasons for immediate sale. Absence of storage facility was found to be the main felt reason for immediate sale of both tobacco and Chilli. The percentage of farmers who opined that repayment of loans taken by traders was more in the case of immediate sale of Chilli as compared to that of tobacco.

06. Primary market channel followed by the farmer-respondents

It is very much essential to study the main person to whom the farmers sell their produce. This will have more impact on the producer's share in the consumer's rupee, thus helps in analyzing the price spread. Any agricultural commodity sold involving more number of intermediaries results in reduction in the producer's share in the price paid by the ultimate consumer. On the other hand, if a farmer produces large quantities of a produce, he cannot sell all his produce to the ultimate consumer. Thus, middlemen play an important role in arranging for the sale of the produce of the farmers. In the present study, an attempt was made to elicit the information from the farmer-respondents about the person to whom they sell Tobacco and Chilli.

Distribution of respondents by person to whom the produce is sold is represented in Table-48. It was observed that 61.50 per cent of the villagers sold their produce (tobacco) to middleman/commission agent, followed by big farmer in the village (36.00%) and hardly 2.50 per cent of the farmers sold tobacco to the processor. All the farmer-respondents of Bhoj, Examba and Mamadapur villages sold tobacco to the middlemen / commission agent.

In the case of chilli, majority of the villagers (61.50%) sold their produce to middleman/commission agent, followed by processor (27.50%), big farmer in the village (4.50%), others (3.50%) and wholesalers (3.00%).

Table-48. Distribution of the respondents based on village and the person to whom the produce was sold

(% of respondents)

Crop / Village	Middleman/ Commission agent	Big farmer in the village	Processor	Wholesaler	Others	Total
Tobacco						
Akkol	94.44	0.00	5.56	0.00	0.00	100.00
Bhoj	100.00	0.00	0.00	0.00	0.00	100.00
Examba	100.00	0.00	0.00	0.00	0.00	100.00
Galataga	83.33	11.11	5.56	0.00	0.00	100.00
Mamadapur	100.00	0.00	0.00	0.00	0.00	100.00
Nainglaj	76.00	24.00	0.00	0.00	0.00	100.00
Pangeri	40.00	40.00	20.00	0.00	0.00	100.00
Peerwadi	3.33	96.67	0.00	0.00	0.00	100.00
Total	61.50	36.00	2.50	0.00	0.00	100.00
Chilli						
Akkol	38.89	11.11	44.44	0.00	5.56	100.00
Bhoj	43.75	6.25	43.75	0.00	6.25	100.00
Examba	0.00	15.00	70.00	10.00	5.00	100.00
Galataga	16.67	11.11	55.56	0.00	16.67	100.00
Mamadapur	28.57	3.57	53.57	14.29	0.00	100.00
Nainglaj	96.00	0.00	4.00	0.00	0.00	100.00
Pangeri	93.33	0.00	0.00	0.00	6.67	100.00
Peerwadi	53.33	0.00	0.00	46.67	0.00	100.00
Total	46.50	4.50	27.50	18.00	3.50	100.00

When the farmer-respondents were classified based on the land holdings as marginal, small, medium and large farmers on one hand and the person to whom the produce was sold on the other, the distribution of the opinions of the respondents were analysed and the results are presented in Table-49. It could be seen from the table that, all the marginal and small farmers, 66.67 per cent of medium farmers and 60.75 per cent of large farmers sold tobacco to

middleman/commission agent. Some of the medium (25.00%) and large (37.10%) farmers sold to big farmers in their villages. Hardly 8.33 per cent of the medium farmers and 2.15 per cent of the large farmers sold tobacco to processor. None of the farmers had sold their produce either to the wholesaler or to others.

In the case of chilli, majority of the farmers (61.50%) sold their produce to middleman/commission agent, followed by processor (27.50%), big farmer in the village (4.50%), others (3.50%) and wholesaler (3%).

Table-49. Distribution of the respondents based on farmers' category and the person to whom the produce was sold

(% of respondents)

Crop / Farmers category	Middleman/ Commission agent	Big farmer in the village	Processor	Wholesaler	Others	Total
Tobacco						
Marginal	100.00	0.00	0.00	0.00	0.00	100.00
Small	100.00	0.00	0.00	0.00	0.00	100.00
Medium	66.67	25.00	8.33	0.00	0.00	100.00
Large	60.75	37.10	2.15	0.00	0.00	100.00
Total	61.50	36.00	2.50	0.00	0.00	100.00
Chilli						
Marginal	100.00	0.00	0.00	0.00	0.00	100.00
Small	5200	0.00	0.00	0.00	0.00	100.00
Medium	58.33	0.00	41.67	0.00	0.00	100.00
Large	53.33	0.00	0.00	46.67	0.00	100.00
Total	46.50	4.50	27.50	18.00	3.50	100.00

Distribution of respondents by person to whom the produce is sold is represented in Table-50, based on their social category. Majority (61.50%) of farmers sold their tobacco to middleman/commission agent. The percentage among the social groups ranged between 60.23 in the case of other group and 72.22 in the case of SC farmers. The other persons to whom tobacco was sold by the respondents included big farmers in village (36.00%) and the processor

(2.50%). In the case of chilli, farmers sold their produce to agent (46.50%), followed by processor (27.50%), and wholesaler (25.92%) middleman/ commission big farmer in village (4.50%), others (3.50%).

On perusal of the table, it could be seen that, more number of respondents sell chilli to the whole sellers and processors than tobacco. Eventhough both chilli and tobacco require processing before they can be used; famers prefer to sell chilli to the whole sellers processors but not tobacco.

Table-50. Distribution of the respondents based on their social group and the person to whom the produce was sold

(% of respondents)

Crop / Social Group	Middleman/ Commission agent	Big farmer in the village	Processor	Wholesaler	Others	Total
Tobacco						
SC	72.22	27.78	0.00	0.00	0.00	100.00
ST	66.67	33.33	0.00	0.00	0.00	100.00
OBC	62.50	25.00	12.50	0.00	0.00	100.00
Others	60.23	37.43	2.34	0.00	0.00	100.00
Total	61.50	36.00	2.50	0.00	0.00	100.00
Chilli						
SC	66.67	0.00	33.33	0.00	0.00	100.00
ST	33.33	33.33	33.33	0.00	0.00	100.00
OBC	62.50	0.00	25.00	12.50	0.00	100.00
Others	38.40	4.68	26.90	25.92	4.09	100.00
Total	46.50	4.50	27.50	18.00	3.50	100.00

The distribution of respondents by person to whom the produce is sold is represented based on their year of schooling in Table-51. Majority (61.50%) of farmers sold their tobacco to middleman/commission agent, followed by big farmers in village (36.00%) and processor (2.50%). In the case of chilli,(46.50%) percent of the farmers sold their produce to

middleman/commission agent, followed by processor (27.50%), big farmer in village (4.50%), others (38.40%) and wholesaler (25.92%). Hence, it was found that, education does not play any role in selection of the person to whom the produce was sold, both for tobacco and chilli.

Table-51. Distribution of the respondents based on their education status and the person to whom the produce was sold

(% of respondents)

Crop / Education Category	Middleman/ Commission agent	Big farmer in the village	Processor	Wholesaler	Others	Total
Tobacco						
YS-1	60.00	40.00	0.00	0.00	0.00	100.00
YS-2	54.92	41.80	3.28	0.00	0.00	100.00
YS-3	71.88	26.56	1.56	0.00	0.00	100.00
YS-4	100.00	0.00	0.00	0.00	0.00	100.00
Total	61.50	36.00	2.50	0.00	0.00	100.00
Chilli						
YS-1	40.00	0.00	20.00	10.00	30.00	100.00
YS-2	49.67	4.92	23.77	20.00	1.64	100.00
YS-3	50.00	3.13	37.50	7.81	1.56	100.00
YS-4	50.00	25.00	0.00	0.00	25.00	100.00
Total	46.50	4.50	27.50	18.00	3.50	100.00

07. Sources of market information to the farmer-respondents

Market information plays an important role in taking right decision by the farmers on when and where to sell their farm products. If reliable information on arrivals and prices of different commodities in different markets are available, the farmers can be in a position to decide in which market the prices are high. If market intelligence, in terms of price forecasts over a period of time, is available, the farmers can decide whether to sell their produce

immediately or to store for some time, expecting an increasing in price in near future.

Distribution of respondents by the sources of market information across the farmer category is represented in Table-52. In the case of tobacco, all the marginal and small farmers were dependent on the information provided by the village trader. Majority of medium farmers were also approached by village traders only (75%), followed by information by relatives/friends (16.67%) and on others (8.33%). As high as 94.09 per cent of the large farmers depended upon village trade as their source of information followed by information by relatives/friends (6.00%) and information by newspaper/radio/TV. Overall, 93.00 per cent of the farmers depended on village trader as the source of information, followed by information by relatives/friends (5.38%) and information by newspaper/radio/TV (0.50%).

Table-52. Distribution of the respondents based on farmers' category and the source of market information

(% of respondents)

Crop / Farmers Category	Relatives and friends	Village Trader	News paper/ Radio / TV	Others
Tobacco				
Marginal	0.00	100.00	0.00	0.00
Small	0.00	100.00	0.00	0.00
Medium	16.67	75.00	0.00	8.33
Large	5.38	94.09	0.54	0.00
Total	6.00	93.00	0.50	0.50
Chilli				
Marginal	100.00	0.00	0.00	0.00
Small	0.00	100.00	0.00	0.00
Medium	16.67	0.00	83.33	0.00
Large	6.99	8.06	83.87	1.08
Total	8.00	8.00	83.00	1.00

In the case of chilli, majority of the farmers groups depended upon the information provided by the newspaper/radio/TV (83.33% in case of medium farmers and 83.87% in case of large farmers) for sale of their produce (chilli). All the marginal farmers were depended upon information provided by relatives/friends and all the small farmers were depended upon information provided by villager trader for sale of their produce.

With respect to tobacco, all the SC and ST category farmers were depended upon information provided by the village trader for sale of their produce (Table-53). Majority (87.50% of OBC category farmers and 92.40% of other category farmers) depended upon information provided by the village trader for sale of their produce. On the other hand, in the case of chilli, majority of the farmers (94.44% SC, 66.67% ST, 87.50% OBC and 81.87% other category farmers) depended upon the information provided by newspaper / radio / TV for sale of their produce (chilli). Hardly 33.33 per cent of the ST farmers dependent upon the information provided by the village trader.

Table-53. Distribution of the respondents based on their social group and the source of market information

(% of respondents)

Crop / Social group	Relatives and friends	Village Trader	News paper/ Radio / TV	Others
Tobacco				
SC	0.00	100.00	0.00	0.00
ST	0.00	100.00	0.00	0.00
OBC	12.50	87.50	0.00	0.00
Others	6.43	92.40	0.58	0.58
Total	6.00	93.00	0.50	0.50
Chilli				
SC	5.56	0.00	94.44	0.00
ST	0.00	33.33	66.67	0.00
OBC	12.50	0.00	87.50	0.00
Others	8.19	8.77	81.87	1.17
Total	8.00	8.00	83.00	1.00

Distribution of respondents by sources of market information according to their year of schooling is represented in Table-54. In the case of tobacco, majority of the farmers depended on the village trader for sale of their produce (100.00% YS-1, 92.62% YS-2, 92.19% YS-3 and 100.00% YS-4). Contrary to this, with respect to chilli, majority of the farmers (80.00% YS-1, 86.89% YS-2, 78.13% YS-3 and 50.00% YS-4) depended upon information provided by newspaper/radio/TV for sale of their produce. This is mainly because chilli is a notified commodity in APMCs and information on arrivals and prices of chilli in different APMCs will be readily available to the farmers from newspapers and through broadcasting and telecasting them.

Table-54. Distribution of the respondents based on their education status and the source of market information

(% of respondents)

Crop / Education Category	Relatives and friends	Village Trader	News paper/ Radio / TV	Others
Tobacco				
YS-1	0.00	100.00	0.00	0.00
YS-2	5.74	92.62	0.82	0.82
YS-3	7.81	92.19	0.00	0.00
YS-4	0.00	100.00	0.00	0.00
Total	6.00	93.00	0.50	0.50
Chilli				
YS-1	20.00	0.00	80.00	0.00
YS-2	4.10	7.38	86.89	1.64
YS-3	14.06	7.81	78.13	0.00
YS-4	0.00	50.00	50.00	0.00
Total	8.00	8.00	83.00	1.00

08. Services of middlemen required by the farmer-respondents

Distribution of the respondents by need of the services of middlemen is represented in Table-55. In the case of tobacco, all the farmers of Akkol, Bhoj, Examba, Mamadapur, Pangeri and Peerwadi responded that services of the

middlemen are absolutely essential. Hardly 22.22 per cent of Galataga farmers and 52 per cent of Nainglaj farmers opined that they do not need the services of the middlemen. But with respect to chilli, majority of the farmers agreed that they do not need the services of the middlemen. Only 44.44 per cent of Akkol, 31.25 per cent of Bhoj and 27.78 per cent of Galataga farmers responded that they require the services of the middlemen.

Table-55. Distribution of the respondents based on village and their opinion regarding need of the services of middlemen

(% of respondents)

Village	Tobacco		Chilli	
	Need the services	No need	Need the services	No need
Akkol	100.00	0.00	44.44	55.56
Bhoj	100.00	0.00	31.25	68.75
Examba	100.00	0.00	0.00	100.00
Galataga	77.78	22.22	27.78	72.22
Mamadapur	100.00	0.00	0.00	100.00
Nainglaj	48.00	52.00	0.00	100.00
Pangeri	100.00	0.00	0.00	100.00
Peerwadi	100.00	0.00	0.00	100.00
Total	**91.50**	**8.50**	**9.00**	**91.00**

Similarly, the distribution of the respondents by need of the services of middlemen based on farmers category is represented in Table-56. It could be seen from the table that, in the case of tobacco, all the marginal and small and 75 per cent of medium farmers and 92.47 per cent of large farmers opined that they need the services of the middlemen. Hardly 25.00 per cent of the medium and 7.53 per cent of the large farmers responded that they do not need the services of the middlemen.

Table-56. Distribution of the respondents based on farmers' category and their opinion regarding need of the services of middlemen

(% of respondents)

Farmers' category	Tobacco		Chilli	
	Need the services	No need	Need the services	No need
Marginal	100.00	0.00	0.00	100.00
Small	100.00	0.00	100.00	0.00
Medium	75.00	25.00	8.33	91.67
Large	92.47	7.53	8.60	91.40
Total	**91.50**	**8.50**	**9.00**	**91.00**

In the case of chilli, majority of the farmers group (100.00% of marginal, 91.67% of medium and 91.40% of large farmers) responded that they do not need the services of the middlemen. All the small farmers, 8.33 per cent of the medium farmers and 8.60 per cent of the large farmers expressed positively about the necessity of the services of the middlemen.

With respect to different social category of farmers, 91.50 per cent of the farmers responded that they need the services of the middlemen in marketing tobacco (Table-57). But the in case of chilli, majority of the farmers (91.00%) expressed that the services of the middlemen are not required. Hardly 33.33 per cent of ST category and 9.94 per cent of the other category farmers opined that they need the services of the middlemen.

Table-57. Distribution of the respondents based on social group and their opinion regarding need of the services of middlemen

(% of respondents)

Social group	Tobacco		Chilli	
	Need the services	No need	Need the services	No need
SC	94.44	5.56	0.00	100.00
ST	100.00	0.00	33.33	66.67
OBC	100.00	0.00	0.00	100.00
Others	90.64	9.36	9.94	90.06
Total	**91.50**	**8.50**	**9.00**	**91.00**

Distribution of the respondents by need of the services of middlemen based on their year of schooling is represented in Table-58. In case of tobacco, majority (90.00% of YS-1, 90.98% of YS-2, 92.19% of YS-3 and 100.00% of YS-4) of the farmers responded that they need the services of middlemen. But in the case of chilli, except 50 per cent of YS-4 farmers, other groups of farmers responded that they do not require the services of the middlemen.

Table-58. Distribution of the respondents based on education status and their opinion regarding need of the services of middlemen

(% of respondents)

Education category	Tobacco		Chilli	
	Need the services	No need	Need the services	No need
YS-1	90.00	10.00	0.00	100.00
YS-2	90.98	9.02	9.02	90.98
YS-3	92.19	7.81	7.81	92.19
YS-4	100.00	0.00	50.00	50.00
Total	**91.50**	**8.50**	**9.00**	**91.00**

Based on the above tables, Table-55 to Table-58, it was pointed out that, the farmers expressed the necessity of the services of middlemen in selling their tobacco but not chilli. Since chilli is a notified commodity in APMCs, it will be easier for the farmers to sell chilli in APMCs.

In continuation of the above said tables, further investigation was carried out in the present study to know the reasons why the farmer-respondents required the services of middlemen in disposing off their tobacco. The reasons for the need of services of middlemen in marketing of tobacco are represented in Table-59. As much as 63.93 per cent of the farmers responded that because they don't have any alternative, they need the services of the middlemen and 30.05 per cent of farmers expressed easy disposal as the reason.

Table-59. Distribution of the respondents based on village and their reasons for the need of services of middlemen in tobacco marketing

(% of respondents who need the services of middlemen)

Village	Easy Disposal	Previous Agreements	Loans from middlemen	Higher Price	No alternative
Akkol	33.33	0.00	0.00	0.00	66.67
Bhoj	50.00	0.00	6.25	0.00	43.75
Examba	100.00	0.00	0.00	0.00	0.00
Galataga	42.86	14.29	0.00	0.00	42.86
Mamadapur	53.57	0.00	0.00	0.00	46.43
Nainglaj	0.00	0.00	0.00	0.00	100.00
Pangeri	0.00	0.00	0.00	40.00	60.00
Peerwadi	0.00	0.00	0.00	3.33	96.67
Total	**30.05**	**1.09**	**0.55**	**4.37**	**63.93**

The reasons for the need of services of middlemen based on farmers' category are represented in Table-60. In case of tobacco crop, all the small and marginal farmers and majority of medium (66.67%) and large farmers (63.37%) revealed that they don't have alternative hence they need the services of the middlemen.

Table-60. Distribution of the respondents based on farmers' category and their reasons for the need of services of middlemen in tobacco marketing

(% of respondents who need the services of middlemen)

Farmers category	Easy Disposal	Previous Agreements	Loans from middlemen	Higher Price	No alternative
Marginal	0.00	0.00	0.00	0.00	100.00
Small	0.00	0.00	0.00	0.00	100.00
Medium	22.22	11.11	0.00	0.00	66.67
Large	30.81	0.58	0.58	4.65	63.37
Total	**30.05**	**1.09**	**0.55**	**4.37**	**63.93**

With respect to different social category groups (Table-61), majority of the farmers (63.93%) revealed that as they were not having any other alternative, they were dependent upon the services of middlemen in disposing off their tobacco.

Table-61. Distribution of the respondents based on social group and their reasons for the need of services of middlemen in tobacco marketing

(% of respondents who need the services of middlemen)

Social group	Easy Disposal	Previous Agreements	Loans from middlemen	Higher Price	No alternative
SC	23.53	0.00	0.00	11.76	64.71
ST	0.00	0.00	0.00	0.00	100.00
OBC	25.00	0.00	0.00	25.00	50.00
Others	31.61	1.29	0.65	2.58	63.87
Total	**30.05**	**1.09**	**0.55**	**4.37**	**63.93**

When it was intended to study the relationship between years of schooling of the respondents and their opinion on reasons for the need of services of middlemen to disposing off their tobacco, it was found that, majority of YS-1 (66.67%) and YS-4 (50%) category farmers responded that easy disposal was the main reason for need of services of middlemen (Table-64). But majority of YS-2 (68.47%) and YS-3 (62.71%) farmers responded that they do not have any other alternative in disposing off their tobacco produce, they need of services of middlemen.

Table-62. Distribution of the respondents based on education status and their reasons for the need of services of middlemen in tobacco marketing

(% of respondents who need the services of middlemen)

Education category	Easy Disposal	Previous Agreements	Loans from middlemen	Higher Price	No alternative
YS-1	66.67	0.00	0.00	0.00	33.33
YS-2	25.23	0.90	0.90	4.50	68.47
YS-3	32.20	1.69	0.00	3.39	62.71
YS-4	50.00	0.00	0.00	25.00	25.00
Total	30.05	1.09	0.55	4.37	63.93

5.9 Opinion regarding method of price determination

Distribution of village-wise sample respondents by method of price determination of his produce is represented in Table-63. Quality was the main reason for price determination of tobacco growers, as opined by 51.50 per cent of the respondents, followed by the tobacco colour (38.50%). In the case of chilli, 68.00 per cent of the respondents opined that the price of chilli will be efficiently determined by auction method, followed by analyzing the sample (17.50%).

Table-63. Distribution of village-wise respondents based on their opinion on method of price determination

(% of respondents)

Crop/ Village	Negotiation With trader	Quality	Colour	Sample	Auction
Tobacco					
Akkol	0.00	55.56	44.44	0.00	0.00
Bhoj	0.00	68.75	31.25	0.00	0.00
Examba	0.00	55.00	45.00	0.00	0.00
Galataga	11.11	72.22	16.67	0.00	0.00
Mamadapur	0.00	46.43	53.57	0.00	0.00
Nainglaj	44.00	36.00	20.00	0.00	0.00
Pangeri	40.00	26.67	33.33	0.00	0.00
Peerwadi	1.67	53.33	45.00	0.00	0.00
Total	10.00	51.50	38.50	0.00	0.00
Chilli					
Akkol	38.89	0.00	5.56	22.22	33.33
Bhoj	18.75	12.50	6.25	25.00	37.50
Examba	0.00	0.00	10.00	20.00	70.00
Galataga	11.11	5.56	27.78	11.11	44.44
Mamadapur.kl	0.00	0.00	3.57	25.00	71.43
Nainglaj	0.00	4.00	0.00	20.00	76.00
Pangeri	0.00	0.00	6.67	13.33	80.00
Peerwadi	0.00	0.00	3.33	11.67	85.00
Total	6.00	2.00	6.50	17.50	68.00

Distribution of farmer-respondents by method of price determination of his produce according to different farmer type is represented in Table-64. In case of tobacco, all marginal and small farmers responded that colour and quality were the quality parameters for the price determination respectively. Majority of the medium farmers (66.67%) and large farmers (50.54%) responded that quality was the main quality parameter for price determination in case of tobacco crop.

With respect to chilli, auction in case of marginal farmers (100.00%) and colour in case of small farmers (100.00%) were the main methods for price

determination of chilli. But majority of medium (50.00%) and large farmers (69.35%) responded that auction was the main method of price determination of their produce (chilli).

Table-64. Distribution of respondents based on farmers' category and their opinion on method of price determination

(% of respondents)

Crop/ Farmers Category	Negotiation With trader	Quality	Colour	Sample	Auction
Tobacco					
Marginal	0.00	0.00	100.00	0.00	0.00
Small	0.00	100.00	0.00	0.00	0.00
Medium	16.67	66.67	16.67	0.00	0.00
Large	9.68	50.54	39.78	0.00	0.00
Total	10.00	51.50	38.50	0.00	0.00
Chilli					
Marginal	0.00	0.00	0.00	0.00	100.00
Small	0.00	0.00	100.00	0.00	0.00
Medium	8.33	8.33	16.67	16.67	50.00
Large	5.91	1.61	5.38	17.74	69.35
Total	6.00	2.00	6.50	17.50	68.00

Similar results were elicited by the respondents, when classified based on their social group (Table-65) and education status (Table-66).

Table-65. Distribution of respondents based on social group and their opinion on method of price determination

(% of respondents)

Crop/ Social Group	Negotiation With trader	Quality	Colour	Sample	Auction
Tobacco					
SC	11.11	50.00	38.89	0.00	0.00
ST	0.00	66.67	33.33	0.00	0.00
OBC	12.50	62.50	25.00	0.00	0.00
Others	9.94	50.88	39.18	0.00	0.00
Total	10.00	51.50	38.50	0.00	0.00
Chilli					
SC	0.00	11.11	0.00	5.56	83.33
ST	33.33	0.00	33.33	0.00	33.33
OBC	0.00	0.00	12.50	25.00	62.50
Others	6.43	1.17	6.43	18.71	67.25
Total	6.00	2.00	6.50	17.50	68.00

Table-66. Distribution of respondents based on education status and their opinion on method of price determination

(% of respondents)

Crop/ Education category	Negotiation With trader	Quality	Colour	Sample	Auction
Tobacco					
YS-1	0.00	80.00	20.00	0.00	0.00
YS-2	10.66	47.54	41.80	0.00	0.00
YS-3	9.38	54.69	35.94	0.00	0.00
YS-4	25.00	50.00	25.00	0.00	0.00
Total	10.00	51.50	38.50	0.00	0.00
Chilli					
YS-1	0.00	0.00	0.00	40.00	60.00
YS-2	4.10	2.46	8.20	18.03	67.21
YS-3	7.81	1.56	4.69	14.06	71.88
YS-4	50.00	0.00	0.00	0.00	50.00
Total	6.00	2.00	6.50	17.50	68.00

- **Summary**
- All marginal and small farmers responded that colour and quality were the quality parameters for the price determination in tobacco. Majority of the medium farmers (66.67%) and large farmers (50.54%) responded that quality was the main quality parameter for price determination in case of tobacco crop.
- Auction in case of marginal farmers (100.00%) and colour in case of small farmers (100.00%) were the main methods for price determination of chilli. But majority of medium (50.00%) and large farmers (69.35%) responded that auction was the main method of price determination of their produce (chilli).

10 Sample taken during marketing of tobacco and chilli

In the markets, the market intermediaries, mainly the traders, take some samples to test for the quality of the produce, to know the percentage of foreign material, dirt, moisture content, straw, 100 grain weight, etc. Based on these quality parameters, the traders quote their price for the produce.

Distribution of respondents by quantity of sample taken by the trader is represented in Table-69. It could be seen from the table that, in the case of tobacco crop, 75.50 per cent and 24.50 per cent of the farmers responded that 1 kg and 2 kg of samples were taken by the traders, respectively. With respect to chilli, majority (98.00%) of the farmers responded that no sample was being taken by the trader. Hardly 5.56 per cent of Galataga farmers revealed that 1 kg sample was taken by the traders and only 6.25 per cent of Bhoj and 11.11 per cent of Mamadapur chilli farmers responded that 2kg of sample was taken by the traders.

Table-67. Distribution of respondents based on their village and quantity of sample taken by the traders

(% of respondents)

Village	Tobacco			Chilli		
	No sample	1 kg	2 kg	No sample	1 kg	2 kg
Akkol	0.00	61.11	38.89	100.00	0.00	0.00
Bhoj	0.00	43.75	56.25	93.75	0.00	6.25
Examba	0.00	60.00	40.00	100.00	0.00	0.00
Galataga	0.00	88.89	11.11	83.33	5.56	11.11
Mamadapur	0.00	60.71	39.29	100.00	0.00	0.00
Nainglaj	0.00	72.00	28.00	100.00	0.00	0.00
Pangeri	0.00	93.33	6.67	100.00	0.00	0.00
Peerwadi	0.00	93.33	6.67	100.00	0.00	0.00
Overall	**0.00**	**75.50**	**24.50**	**98.00**	**0.50**	**1.50**

The distribution of respondents by quantity of sample taken by the traders according to the farmers' category is represented in Table-68. It is evident from the table that, in the case of tobacco, all marginal and small farmers revealed that 2kg and 1kg of samples were taken by traders, respectively. Majority of medium (91.67%) and large (74.73%) farmers responded that traders took 1kg of the sample, followed by 2kg (8.33% of medium and 25.27% of large farmers). With respect to chilli, all marginal, small and medium farmers and 97.85 per cent of large farmers responded that traders have has not taken any sample of their produce.

Table-68. Distribution of respondents based on farmers' category and quantity of sample taken by the traders

(% of respondents)

Farmers' Category	Tobacco			Chilli		
	No sample	1 kg	2 kg	No sample	1 kg	2 kg
Marginal	0.00	0.00	100.00	100.00	0.00	0.00
Small	0.00	100.00	0.00	100.00	0.00	0.00
Medium	0.00	91.67	8.33	100.00	0.00	0.00
Large	0.00	74.73	25.27	97.85	0.54	1.61
Overall	**0.00**	**75.50**	**24.50**	**98.00**	**0.50**	**1.50**

With regard to different social category of farmers (Table-69), in the case of tobacco, majority of the farmers (88.89% of SC, 100.00% of ST, 87.50% of OBC and 73.10% of other category farmers) responded that the traders took 1kg of their sample followed, by 2kg sample (11.11% of SC, 12.50% of OBC and 26.90% of other category farmers).

Table-69. Distribution of respondents based on social group and quantity of sample taken by the traders

(% of respondents)

Social group	Tobacco			Chilli		
	No sample	1 kg	2 kg	No sample	1 kg	2 kg
SC	0.00	88.89	11.11	100.00	0.00	0.00
ST	0.00	100.00	0.00	100.00	0.00	0.00
OBC	0.00	87.50	12.50	87.50	12.50	0.00
Others	0.00	73.10	26.90	98.25	0.00	1.75
Overall	**0.00**	**75.50**	**24.50**	**98.00**	**0.50**	**1.50**

With respect to chilli, majority (100.00% of SC, 100.00% of ST, 87.50% of OBC and 98.25% of other category farmers) of the farmers responded that the traders did not take any sample. Hardly 12.50 per cent of the OBC and 1.75

per cent of the other category farmers revealed that the traders took 1kg and 2kg of samples, respectively.

Distribution of respondents by quantity of sample taken by the trader according to the farmer's years of schooling is represented in Table-70. Majority (70.00% of YS-1, 77.05% of YS-2, 75.00% of YS-3 and 50.00% of YS-4 category farmers) of farmers responded that the traders actually took 1kg of the sample of tobacco, followed by 2kg sample (30.00% of YS-1, 22.95% of YS-2, 25.00% of YS-3 and 50.00% of YS-4 category farmers). With respect to chilli, majority (100.00% of YS-1, 97.54% of YS-2, 98.44% of YS-3 and 100% of YS-4 category farmers) of the farmers responded that the traderd did not take any of their chilli samples. Hardly 2.46 per cent of YS-2 and 1.56 per cent of YS-3 category farmers responded that the traders had taken 2kg and 1kg of their samples, respectively.

Table-70. Distribution of respondents based on their education status and quantity of sample taken by the traders

(% of respondents)

Education status	Tobacco			Chilli		
	No sample	1 kg	2 kg	No sample	1 kg	2 kg
YS-1	0.00	70.00	30.00	100.00	0.00	0.00
YS-2	0.00	77.05	22.95	97.54	0.00	2.46
YS-3	0.00	75.00	25.00	98.44	1.56	0.00
YS-4	0.00	50.00	50.00	100.00	0.00	0.00
Overall	**0.00**	**75.50**	**24.50**	**98.00**	**0.50**	**1.50**

By going through the above tables, it could be inferred that, in the case of tobacco, the farmers are loosing their produce in the form of samples taken by the traders, when the farmers offer their tobacco produce for selling in the markets. On the other hand, in the APMCs, where most of the respondents sell their chilli, majority of the respondents opined that the traders did not take samples of their produce, as the traders only by viewing the produce could judge the quality of chilli.

The traders ought to take samples of tobacco to assess the quality of tobacco, as they have to know the smoking quality of tobacco based on which the traders will be in a position to quote their prices. This phenomenon is in conformity with the opinions of the respondents as presented in Table-65 through Table-68.

❖ **Summary**

❖ All marginal and small farmers revealed that 2kg and 1kg of tobacco samples were taken by traders, respectively. Majority of medium (91.67%) and large (74.73%) farmers responded that traders took 1kg of the sample, followed by 2kg (8.33% of medium and 25.27% of large farmers).

All marginal, small and medium farmers and 97.85 per cent of large farmers responded that traders have has not taken any sample of chilli

11 Mode of payment by the tobacco and chilli purchasers

The next step after the produce is sold is the mode of payment made by the purchasers to the sellers. Some purchasers make payment for their purchases on the spot and a few others pay for the produce they have purchased after a gap of a few days/ weeks/ months. In the present study, information on these aspects were collected from the farmer-producer-respondents and the results are presented in the forth coming tables.

Distribution of respondent by mode of payment in different villages is represented in Table-71. In case of tobacco crop, majority (52.50%) of the farmers responded that it took few months to get their payments followed by spot payments (28.50%) and few weeks (19.00%). As low as 5.00 per cent of Galataga farmers to as high as 53.33 per cent of Pangeri farmers received the payment on the spot.

Table-71. Distribution of respondents based on the village and mode of payment

(% of respondents)

Village	Tobacco			Chilli		
	Spot payment	After few weeks	After Few months	Spot payment	After few weeks	After Few months
Akkol	22.22	72.22	5.56	44.44	44.44	11.11
Bhoj	31.25	50.00	18.75	62.50	31.25	6.25
Examba	5.00	0.00	95.00	85.00	15.00	0.00
Galataga	5.56	33.33	61.11	50.00	44.44	5.56
Mamadapur	10.71	39.29	50.00	60.71	35.71	3.57
Nainglaj	40.00	0.00	60.00	88.00	12.00	0.00
Pangeri	53.33	0.00	46.67	86.67	13.33	0.00
Peerwadi	41.67	0.00	58.33	61.67	36.67	1.67
Overall	**28.50**	**19.00**	**52.50**	**66.50**	**30.50**	**3.00**

But with respect to chilli, majority of farmers received spot payment (66.50%), followed by few weeks (30.50%) and hardly 3 per cent of the farmers received their payments in few months. The percentage of farmers receiving on the spot payments ranged between 44.44 in Akkol and 88.00 in Nainglaj farmers. Across the two agricultural produces considered, more proportion of the farmers realized the payments earlier with respect to chilli as compared to tobacco.

Similarly, the distribution of respondents by mode of payment according to the farmers' category is represented in Table-72. In the case of tobacco, all the marginal farmers and all small farmers received their payments on spot and in few weeks time, respectively. But majority of medium and large farmers received their payments in few months time (41.67% and 53.76%), followed by spot payment (33.33% and 27.96%) and in few weeks time (25% and 18.28%). In the case of chilli, all the marginal and small farmers received their payments

on the spot. Majority of medium and large farmers received their payments on the spot (66.67% and 66.13%), followed by in few weeks time (25.00% and 31.18%) and hardly in few months time (8.33% and 2.69%) in that order.

Table-72. Distribution of respondents based on farmers' category and mode of payment

(% of respondents)

Farmers category	Tobacco			Chilli		
	Spot payment	After few weeks	After Few months	Spot payment	After few weeks	After Few months
Marginal	100.00	0.00	0.00	100.00	0.00	0.00
Small	0.00	100.00	0.00	100.00	0.00	0.00
Medium	33.33	25.00	41.67	66.67	25.00	8.33
Large	27.96	18.28	53.76	66.13	31.18	2.69
Total	**28.50**	**19.00**	**52.50**	**66.50**	**30.50**	**3.00**

With respect to different social category of farmers, in the case of tobacco, all ST category farmers received their payments on the spot (Table-75). But majority (55.56%) of SC category farmers received their payments in few months, followed by spot payments (27.78%) and in few weeks time payments (16.67%). On the other hand, 37.50 per cent of OBC category farmers received their payments on spot and in few weeks time, respectively and only 25 per cent of farmers received their payments in few weeks time. In the case of other category farmers, majority of them received their payments in few weeks time (53.80%), followed by on the spot payments (26.90%) and in few weeks time (19.30%).

Table-73. Distribution of respondents based on their social group and mode of payment

(% of respondents)

Social group	Tobacco			Chilli		
	Spot payment	After few weeks	After Few months	Spot payment	After few weeks	After Few months
SC	27.78	16.67	55.56	72.22	27.78	0.00
ST	100.00	0.00	0.00	66.67	33.33	0.00
OBC	37.50	25.00	37.50	62.50	37.50	0.00
Others	26.90	19.30	53.80	66.08	30.41	3.51
Overall	**28.50**	**19.00**	**52.50**	**66.50**	**30.50**	**3.00**

With respect to chilli crop, majority of SC, ST, OBC and other category farmers received their payments on spot (72.22% of SC, 66.67% of ST, 62.50% of OBC and 66.08% of other category farmers) followed by in few weeks time spot (27.78% of SC, 33.33% of ST, 37.50% of OBC and 30.41% of other category farmers). Hardly 3.51 percent of other category farmers received their payments in few months time.

When the farmer-respondents were grouped based on their years of schooling and their distribution based mode of payment were worked out, the results (Table-74) revealed that, in the case of tobacco, majority of farmers received their payments in few months time (60.00% of YS-1, 54.92% of YS-2, 46.88% of YS-3 and 50.00% of YS-4 category farmers) whereas less proportion of the respondents received on spot the payments across their education status (29.51% of YS-2, 29.69% of YS-3 and 25% of YS-4 category farmers), followed by in few weeks time (15.57% of YS-2, 23.44% of YS-3 and 25% of YS-4 category farmers). But 30 per cent and 10 per cent of YS-1 category farmers received their payments in few weeks time and on the spot, respectively.

Table-74. Distribution of respondents based on their education status and mode of payment

(% of respondents)

Education status	Tobacco			Chilli		
	Spot payment	After few weeks	After Few months	Spot payment	After few weeks	After Few months
YS-1	10.00	30.00	60.00	70.00	30.00	0.00
YS-2	29.51	15.57	54.92	68.03	29.51	2.46
YS-3	29.69	23.44	46.88	60.94	34.38	4.69
YS-4	25.00	25.00	50.00	100.00	0.00	0.00
Overall	28.50	19.00	52.50	66.50	30.50	3.00

(e) With respect to chilli, majority of farmers (70.00% of YS-1, 68.03% of YS-2, 60.94% of YS-3 and 100.00% of YS-4 category farmers) received their payments on the spot, followed by few weeks time (30.00% of YS-1, 29.51% of YS-2 and 34.38% of YS-3 category farmers). Hardly 2.46 per cent of YS-2 category farmers and 4.69 per cent of YS-3 category farmers received their payments in few

Summary

All the marginal farmers and all small farmers received their payments on spot and in few weeks time, respectively with respect to tobacco. But majority of medium and large farmers received their payments in few months time (41.67% and 53.76%), followed by spot payment (33.33% and 27.96%) and in few weeks time (25% and 18.28%).

- All the marginal and small farmers received their payments on the spot with respect to chilli. Majority of medium and large farmers received their payments on the spot (66.67% and 66.13%), followed by in few weeks time (25.00% and 31.18%) and hardly in few months time (8.33% and 2.69%) in that order.

12 Method of payment by the tobacco and chilli purchasers

The farmers receive their sales proceeds in the form of cash or cheques or some times the amount will be credited to the farmer's accounts. The opinion of the farmer-respondents of the present study were collected, tabulated and analysed with respect to the method of payments they received towards the sale proceeds of tobacco in unregulated markets and chilli in regulated markets. The results are presented in the following paragraphs.

The distribution of respondents by method of payment by the purchasers is represented Table-75. It could be clearly seen that, in the case of tobacco, 48.50 per cent of the respondents received their payments by cash, 48 per cent by cheque and hardly 3.50 per cent of the respondents received the payments by directly crediting to their bank accounts. Similarly, with respect to chilli, 37 per cent of the farmers received their payments by cash, 59 per cent via cheque and hardly 4 per cent by crediting to their bank accounts. In the village Examba, equal number of the respondents received their sales proceeds by cash and bh cheque for tobacco, whereas, the proportion is 85:15 in the case of their chilli.

Table-75. Distribution of respondents based on their village and method of payment

(% of respondents)

Village	Tobacco			Chilli		
	Cash	Credited To Bank	Cheque	Cash	Credited To Bank	Cheque
Akkol	44.44	0.00	55.56	33.33	22.22	44.44
Bhoj	25.00	12.50	62.50	50.00	25.00	25.00
Examba	50.00	0.00	50.00	85.00	0.00	15.00
Galataga	22.22	5.56	72.22	44.44	0.00	55.56
Mamadapur	46.43	0.00	53.57	85.71	0.00	14.29
Nainglaj	16.00	0.00	84.00	28.00	0.00	72.00
Pangeri	46.67	0.00	53.33	0.00	0.00	100.00
Peerwadi	78.33	6.67	15.00	6.67	0.00	93.33
Overall	**48.50**	**3.50**	**48.00**	**37.00**	**4.00**	**59.00**

Distribution of respondents by method of payment by the purchaser according to the farmers' category is represented Table-76. In the case of tobacco, all marginal, 41.67 per cent of medium and 48.92 per cent of large farmers received their payments through cash. All small, 50 per cent of medium and 47.85 per cent of large farmers received their payments through cheque. Hardly 8.33 per cent of the medium and 3.23 per cent of the large farmers' payments were credited to their bank accounts. With respect to chilli also, all small, 16.67 per cent of medium and 38.17 per cent of large farmers received their payments through cash. All marginal, 83.33 per cent of medium and 57.53 per cent of large farmers received their payments through cheque. Only 4.3 per cent of the large farmers' payments were credited to their bank accounts.

Table-76. Distribution of respondents based on farmers' category and method of payment

(% of respondents)

Farmers category	Tobacco			Chilli		
	Cash	Credited To Bank	Cheque	Cash	Credited To Bank	Cheque
Marginal	100.00	0.00	0.00	0.00	0.00	100.00
Small	0.00	0.00	100.00	100.00	0.00	0.00
Medium	41.67	8.33	50.00	16.67	0.00	83.33
Large	48.92	3.23	47.85	38.17	4.30	57.53
Overall	**48.50**	**3.50**	**48.00**	**37.00**	**4.00**	**59.00**

With respect to different social category of farmers (Table-77), in the case of tobacco, 38.89 per cent of SC, 66.67 per cent of ST, 37.50 per cent of OBC and 49.71 per cent of other category farmers' payments were made by cash and 55.56 per cent of SC, 33.33 per cent of ST, 62.50 per cent of OBC and 46.78 per cent of other category farmers received their payments through cheques. Hardly 5.56 per cent of SC and 3.51 per cent of the other category farmers' payments were credited to their bank accounts.

Table-77. Distribution of respondents based on social group and method of payment

(% of respondents)

Social group	Tobacco			Chilli		
	Cash	Credited To Bank	Cheque	Cash	Credited To Bank	Cheque
SC	38.89	5.56	55.56	33.33	5.56	61.11
ST	66.67	0.00	33.33	66.67	0.00	33.33
OBC	37.50	0.00	62.50	12.50	0.00	87.50
Others	49.71	3.51	46.78	38.01	4.09	57.89
Overall	**48.50**	**3.50**	**48.00**	**37.00**	**4.00**	**59.00**

In the case of chilli, 33.33 per cent of SC, 66.67 per cent of ST, 12.50 per cent of OBC and 38.01 per cent of other category farmers' payments were made by cash and 61.11 per cent of SC, 33.33 per cent of ST, 87.50 per cent of OBC and 57.89 per cent of other category farmers' payments were made by cheques. Hardly 5.56 per cent of SC and 4.09 per cent of the other category farmers' payments were credited to their bank accounts.

The results of classification of method of payment received by the respondents according to their years of schooling are represented in Table-78. From the table, it can be seen that, 50 per cent of YS-1, 49.18 per cent of YS-2, 48.44 per cent of YS-3 and 25 per cent YS-4 category of farmers responded that they received their payments through cash by selling tobacco, and 40 per cent of YS-1, 46.72 per cent of YS-2, 50 per cent of YS-3 and 75 per cent YS-4 category of farmers responded that they received their payments through cheques. Hardly 10 per cent of YS-1, 4.10 per cent of YS-2 and 1.56 per cent of YS-3 category of farmers responded that their payments were credited to their bank accounts.

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CHAPTER - VI

SWOT ANALYSIS

In this chapter, the results of opinions of the farmer-respondents with respect to the regulation of markets, the advantages and disadvantages of the present marketing system and their opinion regarding the facilities demanded by them for both tobacco and chilli are presented. Further, the saine opinions of the respondents were subjected to SWOT analysis.

01. Opinion of the respondents regarding the advantages of the present marketing system

The farmer-respondents of the present study produced and marketed both tobacco and chilli. They expressed their opinion regarding the advantages of the existing marketing systems both for tobacco and chilli. It is essential here to recall that, farmer-respondents marketed tobacco in the open market as is not a notified commodity whereas, chilli is marketed in APMCs, as chilli is a notified commodity in the APMCs in the study area.

Opinions of the farmer-respondents on the advantages of existing marketing system, both for tobacco and chilli, are presented in Table-79. From the table, it could be seen that, in the case of tobacco, major advantages the farmers see are easy disposal (96.00%), no deceit by middlemen (90.00%), cash to meet immediate needs (78.50%) and repayment of previous loans (71.00%). When viewed across the farmers' categories, cent per cent of the marginal farmers opined that, easy disposal, social tie with the traders and no deceit by the middlemen are the major advantages of the present marketing system, whereas, easy disposal and cash to meet immediate needs were the opinions of all the small farmers. Higher proportion of medium and large farmers also expressed similar factors. On the other hand, in the case of chilli, major advantages existing in the present marketing system quoted by the farmers were easy disposal (99.00%), immediate cash (83.00%), cash to meet immediate needs (80.50%) and reasonable price (75.50%).

Table-79. Opinion of the respondents about the advantages of present marketing system across farmers' category

(% of respondents)

Particulars	Tobacco					Chilli				
	Marginal	Small	Medium	Large	Overall	Marginal	Small	Medium	Large	Overall
Easy disposal	100	100	83.33	96.77	96	100	100	100	98.92	99
Immediate cash	0	0	75	63.98	64	100	100	83.33	82.8	83
Repay previous loan	0	0	75	71.51	71	100	100	58.33	69.89	69.5
Social tie with trader	100	0	25	21.51	22	0	100	58.33	45.7	46.5
Cash to meet immediate needs	0	100	91.67	77.96	78.5	100	100	58.33	81.72	80.5
No deceit by middlemen	100	0	75	91.4	90	0	0	41.67	48.92	48
Correct weights and measures	0	0	0	1.08	1	0	0	41.67	52.69	51.5
Easy access to market	0	0	8.33	5.91	6	0	100	41.67	57.53	56.5
No commission	0	0	8.33	4.3	4.5	0	0	33.33	51.08	49.5
Less marketing cost	0	0	33.33	2.15	4	0	100	41.67	50	49.5
Reasonable price	0	0	8.33	6.45	6.5	0	0	66.67	76.88	75.5

Based on the social groups of the respondents, their opinion regarding the advantages of the existing marketing system were analysed and the results are presented in Table-80. It could be observed from the table that, in the case of tobacco, cent per cent of the ST group respondents expressed that, easy disposal, immediate cash, repay previous loans, cash to meet immediate needs and no deceit by middlemen were the advantages present in the existing tobacco marketing system. At the aggregate level, the farmer-respondents felt that correct weights and measures, less marketing cost, no commission, easy access to market and reasonable price were not the advantages present in the existing marketing system for tobacco. On the other hand, the same farmer-respondents expressed that, all the listed advantages were present in existing in chilli marketing, of which cent per cent of SC and OBC respondents opined easy disposal as an advantage and all the ST respondents expressed that easy disposal immediate cash and repayment of previous loans as the advantages of the present chilli marketing.

Opinions of the farmer-respondents on the advantages of existing marketing system, both for tobacco and chilli, across the years of schooling of the respondents are presented in Table-81. It could be seen from the table that, in the case of tobacco, major advantages the farmers see are easy disposal (100.00%, 97.54%, 92.19% and 92.19%), no deceit by middlemen (90.00%, 88.52%, 93.75% and 75.00%), repayment of previous loans (60.00%, 77.05%, 51.56% and 75.00%) and immediate cash (60.00%, 70.49%, 51.56% and 75.00%) with respect to YS-1, YS-2, YS-3 and YS-4 category farmers, respectively.

In the case of chilli, except social tie with traders and no depeit by the middlemen, all the listed advantages were expressed as present by majority of the respondents, across their years of schooling classification. However, less proportion of YS-1 category respondents expressed that correct weights and measures, easy access to markets and less marketing costs can be considered as present in the existing chilli marketing.

Table-80. Opinion of the respondents about the advantages of present marketing system across social groups of the respondents

(% of respondents)

Particulars	Tobacco					Chilli				
	SC	ST	OBC	Others	Overall	SC	ST	OBC	Others	Overall
Easy disposal	100	100	87.5	95.91	96	100	100	100	98.83	99
Immediate cash	77.78	100	50	62.57	64	88.89	100	75	82.46	83
Repay previous loan	72.22	100	62.5	70.76	71	72.22	100	75	68.42	69.5
Social tie with trader	27.78	0	12.5	22.22	22	38.89	66.67	62.5	46.2	46.5
Cash to meet immediate needs	77.78	100	62.5	78.95	78.5	66.67	66.67	87.5	81.87	80.5
No deceit by middlemen	100	100	100	88.3	90	38.89	66.67	62.5	47.95	48
Correct weights and measures	0	0	0	1.17	1	50	33.33	62.5	51.46	51.5
Easy access to market	0	66.67	0	5.85	6	50	33.33	75	56.73	56.5
No commission	0	0	0	5.26	4.5	50	33.33	75	48.54	49.5
Less marketing cost	0	0	0	4.68	4	50	33.33	62.5	49.12	49.5
Reasonable price	0	66.67	0	6.43	6.5	77.78	33.33	87.5	75.44	75.5

Table-81. Opinion of the respondents about the advantages of present marketing system across the educational status of the respondents

(% of respondents)

Particulars	Tobacco					Chilli				
	YS-1	YS-2	YS-3	YS-4	Overall	YS-1	YS-2	YS-3	YS-4	Overall
Easy disposal	100	97.54	92.19	92.19	96	100	99.18	98.44	100	99
Immediate cash	60	70.49	51.56	75	64	80	86.89	75	100	83
Repay previous loan	60	77.05	60.94	75	71	70	71.31	65.63	75	69.5
Social tie with trader	10	24.59	20.31	0	22	60	50.82	37.5	25	46.5
Cash to meet immediate needs	70	85.25	67.19	75	78.5	90	80.33	79.69	75	80.5
No deceit by middlemen	90	88.52	93.75	75	90	60	50.82	42.19	25	48
Correct weights and measures	0	0	3.13	0	1	30	55.74	45.31	75	51.5
Easy access to market	20	3.28	9.38	0	6	40	59.84	50	100	56.5
No commission	30	3.28	1.56	25	4.5	60	51.64	42.19	75	49.5
Less marketing cost	0	4.92	3.13	0	4	40	54.92	42.19	25	49.5
Reasonable price	0	4.92	10.94	0	6.5	90	77.87	67.19	100	75.5

02. Opinion of the respondents regarding the disadvantages of the present marketing system

The farmer-respondents of the present study were enquired about the disadvantages existing in the present marketing system for tobacco and chilli. Opinions of the farmer-respondents on the disadvantages of existing marketing system, both for tobacco and chilli, are presented in Table-82. Regarding tobacco, 96.50 per cent of the respondents expressed that, long distance to the market and no storage, transportation and loan facilities available as the major hurdles in the existing tobacco marketing system and unscientific price mechanism (95.00%), non existence of regulated market for tobacco (94.50%), no alternative (92.50%) and non remunerative prices (90.50%) were the other major disadvantages existing of the present tobacco marketing system. On the other hand in the case of chilli, hardly half of the respondents expressed that there is delay in payment as a constraint existing in the present marketing system of chilli. Majority of the farmer-respondents did not agree to the other listed disadvantages as the hindrances in chilli marketing.

Similar observations could be made with respect to the disadvantages existing in the present marketing system, when the respondents were classified based on their land holdings (Table-83), social group (Table-84) and educational status (Table-85).

Table-82. Opinion of the respondents about the disadvantages existing in the present marketing system across the villages

(% of respondents)

Crop / Village	Forced sale	Delay Payment	Incorrect Wts & Measures	Sample	Donations	Non Remun Price	Unscie-ntific Price	Lack of MI	No Regulated Mrkts	Long Dist	No Storage, Trnspt Lns	No Alter-native
Tobacco												
Akkol	5.56	50	66.67	61.11	55.56	61.11	88.89	61.11	88.89	88.89	88.89	83.33
Bhoj	25	81.25	81.25	81.25	87.5	87.5	87.5	81.25	81.25	81.25	81.25	81.25
Examba	0	70	75	75	15	75	75	75	75	100	100	65
Galataga	16.67	83.33	77.78	77.78	66.67	88.89	94.44	88.89	94.44	88.89	88.89	94.44
Mamadapur	0	57.14	89.29	89.29	32.14	89.29	100	89.29	100	100	100	96.43
Nainglaj	12	100	100	100	100	100	100	100	100	100	100	100
Pangeri	0	100	100	100	100	100	100	100	100	100	100	100
Peerwadi	0	100	100	100	100	100	100	100	100	100	100	100
Total	**5.5**	**83.5**	**89.5**	**89**	**74**	**90.5**	**95**	**90**	**94.5**	**96.5**	**96.5**	**92.5**
Chilli												
Akkol	0	16.67	5.56	5.56	5.56	11.11	66.67	11.11	50	50	44.44	44.44
Bhoj	12.5	31.25	37.5	37.5	50	37.5	43.75	43.75	31.25	25	37.5	43.75
Examba	0	25	10	10	0	10	10	10	10	80	85	10
Galataga	0	44.44	16.67	22.22	38.89	22.22	27.78	22.22	38.89	33.33	38.89	33.33
Mamadapur	0	3.57	0	0	0	0	85.71	0	71.43	82.14	85.71	71.43
Nainglaj	0	4	0	0	0	0	0	0	0	0	0	0
Pangeri	0	100	0	0	0	0	0	0	0	0	0	0
Peerwadi	0	100	0	0	0	0	0	0	0	0	0	0
Total	**1**	**49**	**6**	**6.5**	**8**	**7**	**25**	**7.5**	**21.5**	**29**	**31**	**21.5**

Table-83. Opinion of the respondents about the disadvantages existing in the present marketing system across farmers' categories

(% of respondents)

Crop / Farmer category	Forced Sale	Delay Payment	Incorrect Wts & Measures	Sample	Donations	Non Remun Price	Unscie-ntific Price	Lack of MI	No Regulated Mrkts	Long Dist	No Storage, Trnspt, Loan	No Altern-atives
Tobacco												
Marginal	0	0	0	0	0	0	100	0	100	100	100	100
Small	100	100	100	100	100	100	100	100	100	100	100	100
Medium	8.33	75	100	100	83.33	100	100	100	100	91.67	100	100
Large	4.84	84.41	89.25	88.71	73.66	90.32	94.62	89.78	94.09	96.77	96.24	91.94
Total	5.5	83.5	89.5	89	74	90.5	95	90	94.5	96.5	96.5	92.5
Chilli												
Marginal	0	0	0	0	0	0	100	0	0	0	0	0
Small	0	0	100	100	100	100	100	100	100	100	100	100
Medium	0	50	8.33	16.67	25	16.67	25	16.67	33.33	33.33	25	33.33
Large	1.08	49.46	5.38	5.38	6.45	5.91	24.19	6.45	20.43	28.49	31.18	20.43
Total	1	49	6	6.5	8	7	25	7.5	21.5	29	31	21.5

Table-84. Opinion of the respondents about the disadvantages existing in the present marketing system across social groups

(% of respondents)

Crop / Social category	Forced Sale	Delay Payment	Incorrect Wts & Measures	Sample	Donations	Non Remun Price	Unscie-ntific Price	Lack of MI	No Regulated Mrkts	Long Dist	NoStorage, Trnspt, Loan	No Altern-atives
Tobacco												
SC	0	83.33	94.44	94.44	83.33	94.44	100	94.44	100	100	100	94.44
ST	0	33.33	100	100	100	100	100	100	100	100	100	100
OBC	0	75	75	75	62.5	75	100	75	100	100	100	100
Others	6.43	84.8	89.47	88.89	73.1	90.64	94.15	90.06	93.57	95.91	95.91	91.81
Total	5.5	83.5	89.5	89	74	90.5	95	90	94.5	96.5	96.5	92.5
Chilli												
SC	0	38.89	0	0	0	0	22.22	0	16.67	22.22	27.78	16.67
ST	0	33.33	0	0	0	0	66.67	0	66.67	66.67	66.67	66.67
OBC	0	62.5	0	0	0	0	12.5	0	0	12.5	12.5	0
Others	1.17	49.71	7.02	7.6	9.36	8.19	25.15	8.77	22.22	29.82	31.58	22.22
Total	1	49	6	6.5	8	7	25	7.5	21.5	29	31	21.5

Table-85. Opinion of the respondents about the disadvantages existing in the present marketing system across the educational status of the respondents

(% of respondents)

Crop / Farmer type	Forced Sale	Delay Payment	Incorrect Wts & Measures	Sample	Donations	Non-Remun Price	Unscie-ntific Price	Lack of MI	No Regulated Mrkts	Long Dist	No Storage, Trnspt, Loan	No Alter-natives
Tobacco												
YS-1	0	90	80	90	80	100	100	100	100	100	100	100
YS-2	6.56	85.25	92.62	91.8	80.33	92.62	95.08	92.62	95.08	97.54	98.36	93.44
YS-3	3.13	78.13	85.94	84.38	62.5	85.94	95.31	84.38	93.75	95.31	93.75	90.63
YS-4	25	100	75	75	50	75	75	75	75	75	75	75
Total	5.5	83.5	89.5	89	74	90.5	95	90	94.5	96.5	96.5	92.5
Chilli												
YS-1	0	40	0	0	20	0	10	0	10	30	30	10
YS-2	0.82	54.1	6.56	6.56	7.38	8.2	21.31	8.2	17.21	24.59	27.05	18.03
YS-3	1.56	42.19	4.69	6.25	6.25	4.69	32.81	6.25	29.69	35.94	39.06	28.13
YS-4	0	25	25	25	25	25	50	25	50	50	25	50
Total	1	49	6	6.5	8	7	25	7.5	21.5	29	31	21.5

03. Opinion of the respondents regarding their willingness for regulation of market and to sell in regulated markets

Opinion of the respondents on willingness for regulation of market and to sell in regulated markets is represented in Table-86. In the case of tobacco, 98 per cent of the sample-farmers responded that regulation of markets was required and 96 per cent of the farmers were willing to sell in the regulated markets. With respect to chilli crop, 91.50 per cent of the farmers responded that regulation of markets was required and 92 per cent of the farmers were willing to sell in the regulated markets. It could be seen from the table that, cent per cent of the respondents in Examba, Galataga, Nainglaj, Pangeri and Peerwadi villages expressed their willingness for regulation of markets for tobacco and more than 90 per cent of the respondents expressed their willingness to sell tobacco in regulated markets, except the respondents of Akkol village (88.89%). In the case of chilli, except Akkol village farmers, more than 90 per cent of the respondents of all the village farmers voted for both the criteria. Hence, it could be recommended for the notification of tobacco as one of the notified commodities in the regulated markets.

Table-86. Opinion of the respondents on willingness for regulation of market and to sell in regulated markets

(% of respondents)

Village	Regulation of markets is required		Willingness to sell in regulated markets	
	Tobacco	Chilli	Tobacco	Chilli
Akkol	94.44	84.44	88.89	84.44
Bhoj	87.5	91.25	93.75	91.25
Examba	100	100	100	100
Galataga	100	94.44	100	94.44
Mamadapur	96.43	85.71	92.86	89.29
Nainglaj	100	100	96	96
Pangeri	100	100	93.33	100
Peerwadi	100	96.67	98.33	96.67
Total	**98**	**91.5**	**96**	**92**

Opinion of the respondents on willingness for regulation of market and to sell in regulated markets according farmers type is represented in Table-87. In the case of tobacco, all the marginal, small and medium farmers told that regulation of markets is required and 97.85 per cent of the large farmers supported this statement. Marginal farmers were not interested to sell in the regulated markets but all small and medium and 96.24 per cent of large farmers were willing to sell in the regulated markets. With respect to chilli, marginal farmers were not interested in regulation of markets but all small, 90 per cent of medium and 83.87 per cent of the large farmers expressed that regulation of markets was required. Marginal farmers were not interested to sell in the regulated markets but all the small farmers, 58.33 per cent of medium farmers

and 83.87 per cent of large farmers were willing to sell in the regulated markets.

Table-87. Opinion of the respondents on willingness for regulation of market and to sell in regulated markets across the farmers' categories

(% of respondents)

Farmer Category	Regulation of markets is required		Willingness to sell in regulated markets	
	Tobacco	Chilli	Tobacco	Chilli
Marginal	100.00	0.00	0.00	0.00
Small	100.00	100.00	100.00	100.00
Medium	100.00	90.00	100.00	88.33
Large	97.85	83.87	96.24	93.87
Total	**98.00**	**91.50**	**96.00**	**92.00**

With respect to different social category of farmers all SC, ST, OBC and 97.66 per cent of the other category farmers' respondent that regulation of markets is required (Table-88). All ST and OBC category farmers, 94.44 per cent of SC farmers and 95.91 per cent of other category farmers were willing to sell tobacco in the regulated markets. With respect to chilli, majority of the farmers group (88.89% of SC, 66.67% of ST, 62.50% of OBC and 81.87% other category farmers) responded that regulation of markets is required. Further, 83.33 per cent of SC, 66.67 per cent of ST, 62.50 per cent of OBC and 82.00 per cent of other category farmers were willing to sell chilli crop in regulated markets.

Table-88. Opinion of the respondents on willingness for regulation of market and to sell in regulated markets across their social groups

(% of respondents)

Social group	Regulation of markets is required		Willingness to sell in regulated markets	
	Tobacco	Chilli	Tobacco	Chilli
SC	100.00	88.89	94.44	83.33
ST	100.00	96.67	100.00	96.67
OBC	100.00	92.50	100.00	92.50
Others	97.66	86.87	95.91	83.04
Total	**98.00**	**91.50**	**96.00**	**92.00**

Opinion of the respondents on willingness for regulation of market and to sell in regulated markets according their years of schooling is represented in Table-89. In the case of requirement of regulation of markets, more than 96.72 per cent of the respondents and more than 80.00 per cent of the respondents expressed for the need in tobacco and chilli marketing respectively. Similar share of respondents were found to express their willingness to sell both tobacco and chilli in regulated markets.

Table-89. Opinion of the respondents on willingness for regulation of market and to sell in regulated markets across their educational status

(% of respondents)

Education status	Regulation of markets is required		Willingness to sell in regulated markets	
	Tobacco	Chilli	Tobacco	Chilli
YS-1	100.00	80.00	100.00	80.00
YS-2	96.72	86.89	95.08	87.70
YS-3	100.00	93.44	96.88	93.44
YS-4	100.00	95.00	100.00	95.00
Total	**98.00**	**91.50**	**96.00**	**92.00**

04. Opinion of the respondents regarding the facilities required in the regulated markets

Opinion of the respondents, village-wise, on the facilities required in the regulated markets is represented in Table-90. In the case of tobacco marketing, the facilities required in the markets, as opined by the respondents were respectively no deceit by middlemen (96.00%), immediate cash (95.50%), correct weights and measures (95.50%), transportation and storage facilities (95.50%), no commission from the sellers (95.00%) and less marketing cost (74.50%). It could be observed that all the respondents of Examba village opted for getting all the above said facilities in regulated markets for tobacco.

Table-90. Opinion of the respondents on facilities required in the regulated markets

(% of respondents)

Crop / Village	Imme d-iate cash	No deceit by middlemen	Correct weights & measure	Transp-ortation & Storage	No Commi-ssion	Less marketing Cost
Tobacco						
Akkol	88.89	88.89	88.89	88.89	94.44	66.67
Bhoj	93.75	93.75	93.75	93.75	93.75	75.00
Examba	100.00	100.00	100.00	100.00	100.00	10.00
Galataga	94.44	100.00	94.44	94.44	88.89	83.33
Mamadapur	92.86	92.86	92.86	92.86	96.43	32.14
Nainglaj	96.00	96.00	96.00	96.00	84.00	96.00
Pangeri	93.33	93.33	93.33	93.33	100.00	100.00
Peerwadi	98.33	98.33	98.33	98.33	98.33	100.00
Total	95.50	96.00	95.50	95.50	95.00	74.50
Chilli						
Akkol	66.67	100.00	100.00	100.00	100.00	100.00
Bhoj	37.50	100.00	100.00	100.00	100.00	100.00
Examba	100.00	80.00	85.00	100.00	95.00	15.00
Galataga	44.44	94.44	94.44	94.44	94.44	94.44
Mamadapur	92.86	100.00	100.00	100.00	96.43	35.71
Nainglaj	100.00	100.00	100.00	100.00	100.00	4.00
Pangeri	100.00	100.00	100.00	100.00	100.00	100.00
Peerwadi	98.33	98.33	100.00	98.33	98.33	98.33
Total	85.50	97.00	98.00	99.00	98.00	69.50

In the case of chilli marketing, the provision of transportation and storage facilities was expressed by majority of the respondents (99.00%,

followed by correct weights and measures (98.00%), no commission from the sellers (98.00%) and immediate cash payments (85.50%).

Distribution of respondents based on farmers' category and the facilities required in the regulated markets is represented in Table-91. It is interesting to note here that, with respect to tobacco, all the marginal farmers (100.00%) expressed that there should not be any commission from the sellers in the regulated markets, whereas, the same respondents (100.00%) expressed that they need all the listed facilities in marketing of chilli in the regulated markets. All the small farmers (100.00%) expressed the need for all the listed facilities in regulated markets, both for tobacco and chilli.

Table-91. Opinion of the category-wise farmer-respondents on facilities required in the regulated markets

(% of respondents)

Crop / Farmer category	Immediate cash	No deceit by middlemen	Correct weights & measure	Transp-ortation & storage	No Commi-ssion	Less marketing Cost
Tobacco						
Marginal	0.00	0.00	0.00	0.00	100.00	0.00
Small	100.00	100.00	100.00	100.00	100.00	100.00
Medium	100.00	100.00	100.00	100.00	91.67	83.33
Large	95.70	96.24	95.70	95.70	95.16	74.19
Total	**95.50**	**96.00**	**95.50**	**95.50**	**95.00**	**74.50**
Chilli						
Marginal	100.00	100.00	100.00	100.00	100.00	100.00
Small	100.00	100.00	100.00	100.00	100.00	100.00
Medium	58.33	100.00	100.00	100.00	91.67	75.00
Large	87.10	96.77	97.85	98.92	98.39	68.82
Total	**85.50**	**97.00**	**98.00**	**99.00**	**98.00**	**69.50**

Similar opinions have been expressed by the respondents, when classified based on their social groups (Table-92). All the SC farmer-respondents required all the listed facilities in the regulated markets, both for tobacco and chilli.

Table-92. Opinion of the social group-wise farmer-respondents on facilities required in the regulated markets

(% of respondents)

Crop / Social group	Immediate cash	No deceit by middlemen	Correct weights & measure	Transp-ortation & storage	No Commi-ssion	Less marketing Cost
Tobacco						
SC	94.44	94.44	94.44	94.44	94.44	72.22
ST	100.00	100.00	100.00	100.00	100.00	100.00
OBC	100.00	100.00	100.00	100.00	100.00	87.50
Others	95.32	95.91	95.32	95.32	94.74	73.68
Total	95.50	96.00	95.50	95.50	95.00	74.50
Chilli						
SC	94.44	100.00	100.00	100.00	100.00	55.56
ST	100.00	100.00	100.00	100.00	100.00	66.67
OBC	75.00	100.00	100.00	100.00	100.00	87.50
Others	84.80	96.49	97.66	98.83	97.66	70.18
Total	85.50	97.00	98.00	99.00	98.00	69.50

Distribution of respondents based on their years of schooling by facilities required in regulated markets is represented in Table-93. In the case of tobacco, all YS-1 and YS-4 category farmers demanded for immediate cash, no decrepit by middlemen, correct weights and measures, transport and storage,

no commission and less marketing cost in the regulated markets. The demand from YS-2 and YS-3 category farmers for facilities in regulated markets was nearly to the extent of 95 per cent. In the case of chilli, the facilities required by the respondents in regulated markets were immediate cash, no decrepit by middlemen, correct weights and measures, transport and storage, no commission and less marketing cost in the proportion of 85.50, 97.00, 98.00, 99.00, 98.00 and 69.50 per cent of respondents, respectively.

Table-93. Opinion of the farmer-respondents on facilities required in the regulated markets based on their educational status

(% of respondents)

Crop / Education status	Immediate cash	No deceit by middlemen	Correct weights & measure	Transp-ortation & storage	No Commi-ssion	Less marketing Cost
Tobacco						
YS-1	100.00	100.00	100.00	100.00	100.00	40.00
YS-2	95.08	95.08	95.08	95.08	93.44	80.33
YS-3	95.31	96.88	95.31	95.31	96.88	68.75
YS-4	100.00	100.00	100.00	100.00	100.00	75.00
Total	95.50	96.00	95.50	95.50	95.00	74.50
Chilli						
YS-1	70.00	100.00	100.00	100.00	100.00	60.00
YS-2	89.34	95.90	97.54	99.18	98.36	69.67
YS-3	79.69	98.44	98.44	98.44	96.88	68.75
YS-4	100.00	100.00	100.00	100.00	100.00	100.00
Total	85.50	97.00	98.00	99.00	98.00	69.50

05. SWOT analysis-an overview

SWOT is a planning tool used to understand the Strengths, Weaknesses, Opportunities, and Threats involved in an activity, a project or in a business. It involves specifying the objective of an activity, a business or project and identifying the internal and external factors that are supportive or unfavourable to achieving that objective. SWOT is often used as part of a strategic planning process. SWOT or TOWS is an acronym for Strengths, Weaknesses, Opportunities and Threats.

While at first glance this looks like a simple model and easy to apply, but to do a SWOT analysis, which is both effective and meaningful, requires time and a significant resource. This cannot be done effectively by just one person. It requires a team effort. The methodology has the advantage of being used as a 'quick and dirty' tool or a comprehensive management tool, more importantly this is not a decision that has to be made in advanced as one can lead to the other. This flexibility is one of the factors that has contributed to its success.

The term "SWOT ANALYSIS" is itself an interesting term. Many believe the SWOT is not an analysis, but a summary of a set of previous analyses – even if those were not more than 15 minutes of mini-brainstorming. The analysis or more correctly interpretation comes after the SWOT summary has been produced.

The SWOT Matrix Model

	Helpful- in achieving the objective Positive or potential to be positive	Harmful- in achieving the objective Negative or potential to be negative
Internal origin- attributes of the organization	Strengths	Weaknesses
External origin- attributes of the environment	Opportunities	Threats

SWOT analysis is a process generates information that is helpful in matching an organization or group's goals, programmes, and capacities to the social environment in which it operates.

Strengths

- Positive tangible and intangible attributes, internal to an organization.
- They are within the organization's control.

Weaknesses

- Factors that are within the control of an organization, which detract from its ability to attain the desired goal.
- Which areas might the organization improve?

Opportunities

- External attractive factors that represent the reason for an organization to exist and develop.
- What opportunities exist in the environment, which will propel the organization?
- Identify them by their "time frames"

Threats

- External factors, beyond an organization's control, which could place the organization mission or operation at risk.
- The organization may benefit by having contingency plans to address them if they should occur.
- Classify them by their "seriousness" and "probability of occurrence".

Background and History of SWOT

The origins of the SWOT analysis technique is credited by Albert Humphrey, who led a research project at Stanford University in the 1960s and 1970s using data from many top companies. The goal was to identify why corporate planning failed. The resulting research identified a number of key

areas and the tool used to explore each of the critical areas was called SOFT analysis. Humphrey and the original research team used the categories "What is good in the present is Satisfactory, good in the future is an Opportunity; bad in the present is a Fault and bad in the future is a Threat."

Albert Humphrey led a research project in the 1960s-1970s based upon the United States' Fortune 500, which ultimately developed his Team Action Model (TAM), which is a management concept that enables groups of executives to manage change. SWOT was to have originated from his 'Stakeholders Concept and SWOT Analysis'.

King (2004) also recognized that it was tricky to track down the origins of the acronym SWOT. He cites Haberberg (2000) as stating that SWOT was a concept used by Harvard academics in the 1960s, and Turner (2002) attributing SWOT to Igor Ansoff (1987) of Ansoff's Matrix fame. Koch (2000) considered the contributions of Weihrich (1982), Dealtry (1992) and Wheelan and Hunger (1998). Again whilst these are the commonly accepted views of thinkers on the topic of SWOT, even the common observer would recognise that Weihrich (1982) was not the originator of the concept but rather an innovator of it. As Koch (2004) recognised that, a series of SWOT analyses had the advantages of a single arbitrary matrix. Wheelan and Hunger (1998) used SWOT to look for gaps and matches between competences and resources and the business environment. Dealtry (1992) considered SWOT in terms or groups and vectors with common themes and interactions. Shinno *et. al.*, (2006) amalgamated SWOT analysis with an Analytic Hierarchy Process (AHP), which ranked and prioritised each element using software.

A refocusing of SWOT was offered by Panagiotou (2003), who introduced a telescopic observation strategic framework which in effect maps strengths, weaknesses, opportunities and threats. The most useful aspect of Panagiotou's article is that not only does he recognise the difficulty in finding the origins of SWOT, but he also manages to unearth some interesting alternatives.

The SWOT is great for developing an understanding of an organization or situation and decision-making for all sorts of situations in business, organizations and for individuals.

The SWOT headings provide a good framework for reviewing strategy, position and direction of a company, product, project or person (career).

Doing a SWOT can be very simple, however its strengths lie in its flexibility and experienced application. Remember the capture is only part of the picture.

Application of SWOT

An analysis can be used for (i) Workshop sessions, (ii) Brainstorm meetings, (iii) Problem solving, (iv) Planning, (v) Product evaluation, (vi) Competitor evaluation, (vii) Personal Development Planning and (viii) Decision Making (with force field analysis)

A SWOT analysis is a process to identify where one is strong and vulnerable — where he should defend and attack. The result of the process is a 'plan of action', or 'action plan'; The analysis can be performed on a product, on a service, a company or even on an individual.

Done properly, SWOT will give you the big picture of the most important factors that influence survival and prosperity, as well as a plan to act on.

How to do a SWOT

Irrespective of the objective of the project or study, planning for specific products, work, personal or any other area, the SWOT analysis process is the same.

Step 1: Information collection- In the here and now…

List all strengths that exist now. Then in turn, list all weaknesses that exist now. Be realistic but avoid modesty!

- One can conduct one-on-one interviews. Or get a group together to brainstorm. A bit of both is frequently best.
- One has to prepare questions that relate to the specific company or product that you are analyzing.
- When facilitating a SWOT – search for insight through intelligent questioning and probing

Step 2: What might be…

List all opportunities that exist in the alternatives / future; Opportunities are potential strengths. Then in turn, list all threats that exist in the future. Threats are potential future weaknesses.

Step 3: Plan of action…

Review your SWOT matrix with a view to creating an action plan to address each of the four areas.

In summary: (S) Strengths need to be maintained, built upon or leveraged; (W) Weaknesses need to be remedied, changed or stopped; (O) Opportunities need to be prioritized, captured, built on and optimized; and (T) Threats need to be countered or minimized and managed.

A SWOT analysis can be very subjective, and two people rarely come-up with the same final version of SWOT. It is an excellent tool however, for looking at the negative factors first in order to turn them into positive factors. SWOT can be used as guide and not a prescription.

SWOT analysis- Present study

In the present study, based on the opinion of the farmer-respondents regarding advantages and disadvantages existing in the present marketing system for tobacco and the facilities required by them, SWOT analysis was carried out and all the factors were classified in to Strengths, Weaknesses, Opportunities and Threats. Table-96 contains the SWOT factors as expressed by the respondents in tobacco marketing.

Table-94. SWOT matrix for tobacco marketing as opined by the respondents.

S/ W/ O/ T	Factors	% of responses	Table No.
Strengths	Easy disposal	96.00	79
	No deceit by middlemen	90.00	79
	Cash to meet immediate needs	78.50	79
	Repayment of previous loans	71.00	79
	Immediate payments	64.00	79
	Not a forced sale	94.50	82
Weaknesses	Incorrect weights and measures	99.00	79
	High marketing costs	96.00	79
	Commission taken from sellers	95.50	79
	Delay in payment	83.50	82
	Drawing lot of sample	89.00	82
	Deducting in the name of donations	74.00	82
	Unscientific method of pricing	95.00	82
Opportunities	Regulation of markets is required	98.00	86
	Willingness to sell in regulated markets	96.00	86
Threats	Access to markets if not easy	94.00	79
	Not getting reasonable price	93.50	79
	Lack of market information	90.00	82
	Non existence of regulated markets	94.50	82
	Long distance to sell	96.50	82
	No storage, transportation and loan facilities	96.50	82
	No alternatives	92.50	82

Similarly, based on the opinion of the farmer-respondents regarding advantages and disadvantages existing in the present marketing system for chilli and the facilities required by them, SWOT analysis was carried out and all the factors were classified in to Strengths, Weaknesses, Opportunities and Threats. Table-97 contains the SWOT factors as expressed by the respondents in tobacco marketing.

Table-95. SWOT matrix for chilli marketing as opined by the respondents.

S/ W/ O/ T	Factors	% of responses	Table No.
Strengths	Easy disposal	99.00	79
	Immediate cash payment	83.00	79
	Cash to meet immediate needs	80.50	79
	Reasonable price	75.50	79
	Repayment of previous loans	69.50	79
	Less marketing cost	49.50	79
	Not a forced sale	99.00	82
	Correct weights and measures	94.00	82
	Less sample taken	93.50	82
	Remunerative price	93.00	82
Weaknesses	Delay in payments	49.00	82
Opportunities	Easy access to market	56.50	79
	Market information is available	92.50	82
	No donations	92.00	82
	Scientific pricing	75.00	82
	Presence of regulated markets	78.50	82
	Short distance to travel for selling	71.00	82
	Regulation of markets is required	91.50	86
	Willingness to sell in regulated markets	92.00	86

From the Table-96 and Table-97, several strengths, weaknesses, opportunities and threats existing in the present marketing system are being observed, both in tobacco and chilli. Care must be taken to improve the strengths, overcome the weaknesses by the farmer-respondents as well as the policy makers, apart from addressing the opportunities and threats.

Table-96 S.W.O.T conclusions

SWOT Status	Common (Tobacco & Chilly)	Tobacco	Chilly
Strength	Easy disposal	No deceit by middlemen	Reasonable price
	Cash to meet immediate needs		Less marketing cost
	Repayment of previous loans		Correct weights and measures
	Immediate payments		Less sample taken
	Not a forced sale		Remunerative price
Weaknesses	Delay in payment	Incorrect weights and measures	
		High marketing costs	
		Commission taken from sellers	
		Drawing lot of sample	
		Deducting in the name of donations	
		Unscientific method of pricing	
Opportunities	Regulation of markets is required		Easy access to market
	Willingness to sell in regulated markets		Market information is available
			No donations
			Scientific pricing
			Presence of regulated markets
			Short distance to travel for selling
Threats		Access to markets if not easy	
		Not getting reasonable price	
		Lack of market information	
		Non existence of regulated markets	
		Long distance to sell	
		No storage, transportation and loan facilities	
		No alternatives	

The above table shows that, in Tobacco and chilli market ,easy disposal, cash to meet immediate needs,repayement of previous loans,immideate payments and not forced sale are the strengths common to both the markets. Whereas no deceit by middlemen is the only strength in tobacco market and reasonable price, less marketing costs, correct weights and measures, less sample taken remunerative price are the strengths in chilli market as it is regulated.

The only weakness found common in both market is delay in payments. In tobacco market Incorrect weights ,High marketing costs, Commission taken from sellers, Drawing lot of sample, Deducting in the name of donations, Unscientific method of pricing, as it is un regulated market.

Regarding opportunities common in both markets are, Regulation of markets is required, Willingness to sell in regulated markets. In chilli, Market information is available, No donations, Scientific pricing, Presence of regulated markets, Short distance to travel for selling are the opportunities.

Threats found in Tobacco market are, Access to markets if not easy, Not getting reasonable price, Lack of market information, Non existence of regulated markets, Long distance to sell, No storage, transportation and loan facilities, No alternatives. In chilli market the only threat found is Short distance to travel for selling.

So we can conclude by saying that care must be taken to improve the strengths, overcome the weakness by the farmers and policy makers, at the same time they have to address opportunities and threats

CHAPTER - VII

SUMMARY AND CONCLUSIONS

The findings in the previous chapters are summarized in this chapter and outcome of the analysis of various sub-sections are synthesized to draw meaningful conclusions. The study mainly focuses on the marketing aspects of both chilies and tobacco in Karnataka in general and need for regulation of the marketing of tobacco in particular. The chapter is presented under the sub heads as below.

7.01 INTRODUCTION

The Problem:

Agriculture has been the backbone of the Indian economy for long period of time. After the independence and the introduction of the five year plans, the things started changing slowly and steadily. At least in few pockets of the country, the agriculture became a commercial proposition and the food and non food production picked up to serve the teaming millions. As a result of concerted efforts of researchers, planners and policy makers in agriculture front, food grain production increased from 51million tons in 1951 to 100million tons in 1966-69, further it increased to 216.1million tons in 2006-07.

The increased marketable surplus could not be converted into increased income effectively due to faulty marketing arrangements forcing the producers to be simply price takers. Agricultural sector needs efficient marketing system, which would result in the growth of agriculture, increased employment opportunities and achieve economic development. This is possible only with the improvement in the marketing system. Unless marketing improves, no incentives to increase production will attract the cultivators.

Tobacco marketing at present is mostly in the hands of unscrupulous middlemen, who serve as a link between the producer and the consumer. These

middle men dominate the market and exploit the producer, as a result of which tobacco growers do not get remunerative prices for their produce.

Objectives of the Study:

- To sketch the institutional framework for marketing of Beedi tobacco and Chilies
- To study the advantages and disadvantages of regulated and unregulated markets of Chilies and Beedi tobacco respectively
- To highlight the irritants faced by farmers of in unregulated markets.
- To suggest ways and means of regulating Beedi tobacco marketing in Nippani region of Chikodi taluka in Karnataka state.

Methodology of the Study:

The study is based on both the primary and secondary data. Sample survey method was be used for collection of data on production and marketing of beedi tobacco and chilies. In Karnataka two types of tobacco are grown namely FCV tobacco and beedi tobacco. FCV tobacco is grown mainly in Mysore area, where as in the study area, Nippani, only beedi tobacco is grown. Therefore the study confines itself to the marketing of beedi tobacco only.

FCV tobacco enjoys the facilities of regulated market, but the bidi tobacco marketing is un-regulated, hence the study concentrates on marketing of beedi tobacco in Belgaum dist where it is extensively grown.

(a) **Sample Frame:** Multistage random sampling technique was adopted in the selection of farmer respondents. In the first stage Belgaum district was purposively selected based on the highest area under bidi tobacco, followed by Nippani area of Chikodi taluk was selected across the taluks of Belgaum district. In Belgaum district, as this region produces the best quality of bidi tobacco and the manufacturing of beedis is concentrated in this area; and chilli cultivation is also taken up on a large scale in this region. In the next stage, eight villages were selected based on again the size of area devoted to tobacco. In the last stage, 200 farmer-respondent

households were selected based on the proportionate sampling method and the farmer-respondents were selected randomly using the list of farmers growing both tobacco and chilli.

(b) **Data Base:** Along with this primary data, efforts were made to elicit information from various stake holders in the domain of tobacco and chilly marketing like, traders, other middlemen, official marketing channels and the like. Various secondary sources were used to collect the relevant data for realizing the objectives of the study.

(c) **Data Analysis:** The survey of farm households was to capture various socio-economic information on production and marketing of tobacco and chilly. The information were analyzed to understand the weaknesses of the tobacco marketing which in unregulated in nature with that chilly which is a regulated affair. Simple statistical tools were applied to arrive at meaningful results.

7.02 AGRICULTURAL MARKETING IN INDIA

In India, with the transformation of agriculture from subsistence to commercial, marketing of agricultural produce has gained lot of importance. Agricultural marketing involves, in its simplest form, buying and selling of agricultural produce. In modem marketing system, agricultural produce has to undergo a series of transfers or exchanges from one hand to another before it finally reaches the consumer. Under changed scenario, agricultural marketing includes marketing functions, agencies, channels, efficiency and cost, price spread, market integration and producer's surplus etc.

Importance of Agriculture Marketing

The farmer has realized the importance of adopting new techniques of production and is making efforts for more income and higher standards of living. As a consequence, the cropping pattern is no longer dictated by what he needs for his own personal consumption, as in subsistence farming, but what is responsive to the market in terms of prices received by him.

Inadequacies of Present Indian Marketing System

Indian system of agricultural marketing suffers from a number of defects. As a consequence, the Indian farmer is deprived of a fair price for his produce. The main defects of the agricultural marketing system are (a) Improper warehouses; (b) Lack of grading and standardization; (c) Inadequate transport facilities; (d) Presence of a large number of middlemen; (e) Malpractices in unregulated markets; (f) Inadequate market information; and (g) Inadequate credit facilities.

Facilities Needed for Agricultural Marketing

In order to have best advantage in marketing of his agricultural produce the farmer should enjoy certain basic facilities.

1. He should have proper facilities for storing his goods.
2. He should have holding capacity to wait for times when he could get better prices for his produce
3. He should have adequate and cheap transport facilities.
4. He should have clear information regarding the market conditions.
5. The number of intermediaries should be as small as possible.

Characteristics of Agricultural Product:

Agricultural commodities are comparatively more perishable than industrial goods. There are certain agricultural products which are available only in their seasons unlike industrial goods. Agricultural produce is to be found scattered over a vast geographical area. There are various kinds and varieties in farm produce. The farmer especially in countries like India has less holding capacity. Both demand and supply of agricultural products are inelastic.

Methods of Sale and Marketing Agencies

Agricultural produce is generally marketed either by (a) Under cover or Hatta System; or (b) Open auction system; or (c) Dara system; or (d) Moghum

sale; or (e) Private agreement; or (f) Government purchase; or (g) Marketing agencies or a combination of these methods.

The various agencies engaged in the marketing of agricultural produce can be classified into two categories, viz., (i) government and quasi private agencies like the co-operative societies and (ii) private agencies. A chain of middlemen may be found operating both in Government and private agencies.

Agricultural Marketing systems in India

The existing systems of agricultural marketing in India are (a) Sale to moneylenders and traders, (b) Hats and shandies, (c) Mandies or wholesale markets, and (d) Co-operative marketing

Improvement of Agricultural Marketing System

Government of India has adopted a number of measures to improve agricultural marketing; the important ones being (a) Marketing surveys, (b) Grading and standardization, (c) Organization of regulated markets, (d) Provision of warehousing facilities, (e) Dissemination of market information, (f) Intervention of Directorate of Marketing and Inspection, (g) Government purchases and fixation of support prices.

Cooperative Marketing System in India

Though the above measures have improved the system of agricultural marketing to some extent, a major part of the benefits has been derived by large farmers, who have adequate marketable surplus. However, the small and marginal farmers continue to sell a major part of their produce to moneylenders to meet their credit needs and these moneylenders offer them very low prices. Therefore it is essential to form cooperatives of the small and marginal farmers to enable them to obtain fair prices for their produce.

Warehousing in India

All India Rural Credit Survey Committee (1954) recommended a three tire system of warehousing: at the national level, state and district level, village and rural level. At present there are three main agencies in the public sector

which are engaged in building large scale storage/warehousing capacity. They are: the Food Corporation of India (FCI), Central Warehousing Corporation (CWC), and State Warehousing Corporation (SWC).

FCI provides storage capacity for food grains. It has its own go downs and it also hires storage capacity from other sources such as CWC, SWC's, State Governments and private parties. Besides, public sector agencies, co-operatives have also constructed warehouses in rural areas for storage of their members' produce, for stocking of fertilizers and other inputs and consumer articles.

Ideal Marketing System

The ideal marketing system is one that maximizes the long run welfare of society. To do this, it must be physically efficient, otherwise the same output could be produced with fewer resources, and it must be electively efficient, otherwise a change in allocation could increase the total welfare and where income distribution is not a consideration.

For maximum physical efficiency, such basic physical functions as transportation, storage, and processing should be carried on in such a way so as to achieve the highest output per unit of cost incurred on them.

Similarly, an ideal marketing system must allocate agricultural products in time, space and form to intermediaries and consumers in such proportions and at such prices as to ensure that no other allocation would make consumers better off. To achieve this condition, prices throughout the marketing system must be efficient and must at the same time be equal to the marginal costs of production and marginal consumer utility.

A good marketing system: A good marketing system is one, where the farmer is assured of a fair price for his produce and this can happen only when the following conditions are obtained.

1. The number of intermediaries between the farmer and the consumer should be small;

2. The farmer has proper storing facilities so that he is not compelled to indulge in distress sales,
3. Efficient transport facilities are available
4. The malpractices of middlemen are regulated
5. Farmers are freed from the clutches of village moneylenders and
6. Regular market information is provided to the farmer.

The two institutions, Co-operative marketing societies and regulated markets, together can assure the presence of all these conditions. Accordingly, if cooperative marketing societies are developed along with regulated markets, the Indian agricultural marketing system can be considerably improved.

Present Agricultural Marketing System

Agricultural marketing scenario in India has undergone conspicuous changes during the last 60 years, owing to the increased marketed surplus; increase in urbanization and income levels and consequent changes in the pattern of demand for marketing services; increase in linkages with distant and overseas markets; and changes in the form and degree of government intervention. Some basic features of the system are (i) adoption of different marketing channel; (ii) buying and selling in market yards and market places; (iii) Composition of the market structure; (iv) Adequate marketing institutions; (v) development of marketing infrastructure like roads, storage, processing, etc.; (vi) Emphasis on contract farming; (vii) Market Information and use of IT in Agricultural Marketing; and (viii) Improving Marketing Efficiency.

7.03 SOCIO-ECONOMIC STATUS OF RESPONDENTS

The background of the respondents before actually analyzing the marketing behaviour of them will explain the socio-economic conditions in which the respondents are working. In the following paragraphs, the socio-economic conditions of the farmer-respondents are explained.

- Around 91 per cent of the respondents belonged to Hindu religion which clearly indicates the dominance of Hindus in the study area. Concentration of Hindu religion in the study area clearly suggests that crop raising aspects of both chilli and tobacco crops are closely embedded with the culture of the nation. Muslim and Christian respondents were very less in the study area (1.50% and 1.00%, respectively). The influence of other culture in the study area is very less.

- The sample respondents were categorized into Above Poverty Line (APL), Antyodaya farmers and Below Poverty Line (BPL) farmers to know the influence of income level of the respondents in crop cultivation aspects. Nearly 70 per cent of the respondents are APL farmers. Hence, there should not be much difficulty to the farmers to procure the inputs required in cultivation of the crops. Therefore, it can be presumed that, by and large, the cultivation of both the crops in the study area would not suffer due to lack of purchasing power of inputs.

- Majority of the respondents were having bigger family size (82%), where the number of members was more than six. Small family holding farmers (<6 members) were very less. Chilli and Tobacco are labour intensive crops and now-a-days, it is very difficult to get labour for agricultural operations and hence the wages also have become very costly.

- All the respondents were agriculturists (200), while some other family members of the respondents were doing some subsidiary occupations in the family like doctors, business, teaching, etc., to support the agricultural income to further support agricultural operations. The income from agriculture was Rs.5,36,485 per family per year.

- The farmers who were having more than 10 acres were 185 in numbers out of 200 respondents contacted (92.50%). Medium size land holdings were size of the land holdings is 5.1 to 10 acres, who constitute only 6.5 per cent, while small and marginal farmers were almost negligible (1 each out of 200) constituting only 0.50 per cent each.

- With respect to cropping pattern, during kharif season, among the crops grown, chilli crop occupied major area (88.53%) of the total cropped area, while jowar, maize, soybean and groundnut were the other crops cultivated. During rabi, tobacco was the most important crop which occupied 97.24 per cent of the total cultivated area, while wheat and pulses were other crops in the season. Sugarcane was the annual crop in the cropping pattern occupying an area of 1.79 acres, while betel wine, the perennial crop, grown in 0.13 acres of land. Category wise cropping pattern indicates that marginal and small farmers grew only chilli during kharif, tobacco during rabi and sugarcane as annual crop. Much crop diversity in all the seasons were seen only with respect to medium and large farmers.

- More than 50 per cent of the farmers had more than 40 years of experience in cultivation of tobacco crop in the study area. Another 20 per cent of the farmers had more than 30 years of experience and 12 per cent of the farmers had more than 20 years of experience. In the case of chilli also, the trend with regard to the experience is more or less similar. Here also, 90 per cent of the farmers in the study area had more than 20 years of experience in the cultivation of chilli. Amongst them more than 50 per cent of the farmers had more than 40 years of experience in chilli cultivation. The ongoing results with respect to both the crops clearly indicate that the farmers in the study area are well-versed with the cultivation aspects of both the crops. Hence, decision making in crop activity should not be a problem among the farmers in the study area.

- During kharif season, among the crops grown, maize crop was having high value of the total produce at Rs.35286 (14.17%) while jowar, soybean, groundnut and chilli were the other crops during the season. During rabi, tobacco was having high value of produce accounting for Rs.33857 (13.60%), while wheat and pulses were the other crops in season. Sugarcane was the annual crop which is having the value of Rs.91171 (36.63%), while betel wine was the perennial crop which is having the value of Rs.10958 (4.40%).

- Large farmers were found to rare more number of live stocks. i.e., Bullocks (1.83), Buffaloes (1.50), cows (0.43), calf (0.43), goats (0.55), sheep (0.54), where as medium farmers were found to rear less number of live stock i.e. Bullocks (0.17), Buffaloes (1.75), cows (0.83), calf (0.17), goats (0.75), sheep (0.17) and other live stock (0.08). The marginal and small farmers are not raring any live stock.

- Other caste farmers were raring Bullocks (1.00), Buffaloes (1.44), cows (0.47), calf (0.47), goats (0.44), Sheep (0.60) and other livestock at an average of 0.01, where as SC, OBC and ST farmers were raring comparatively less number of live stocks as compared to other caste farmers.

7.04 MARKETING FUNCTIONS OF THE RESPONDENTS

This section deals with the actual marketing functions takenup by the farmer-respondents with respect to both tobacco and chilli. The marketing functions mainly concentrated are storage of the produce, processing, packaging, place of marketing of the produce. The details of the results are brought-out under appropriate sub-heads.

(a) Duration of storage

- ❖ All the marginal and small tobacco farmers had stored tobacco crop for duration for 4 to 6 months and 1 to 3 months, respectively. Majority of large farmers (70.97%) and medium farmers (58.33%) had stored the crop for a shorter duration of 1 to 3 months, followed by no storage (13.9% and 33.33%) and 4 to 6 months (9.14%) and (8.33%) respectively.

- ❖ None of the farmers who were growing tobacco belonging to small and marginal farmers had stored crop beyond 6 months. Over 50 per cent of large (62.90%) and medium (66.67%) chilli growers have stored for a period of 1 to 3 months, followed by no storage (3.33% and 9.68%) and 4 to 6 months (0% and 25.27%), respectively.

(b) Reasons for storage

- ❖ All small and marginal farmers have stored tobacco because of the reason that expecting high price and no purchaser comes to village. A small per cent of medium (33.33%) and large farmers (13.98%) have stored tobacco crop without any reason followed by the no purchaser comes to village (25%, 19.35%) and (0% and 2.5%) did not get remunerative price (0% and 2.69%) respectively.
- ❖ All the marginal and small farmers have stored chilli because of the reason that they did not get remunerative price, whereas 59.68 per cent of large farmers and 33.33 per cent of medium farmers stored their chilli because they were expecting higher price and 33.33 per cent of medium farmers and 15.59 per cent of the large farmers stored their crop that there was no transportation facility.

(c) Place of storage

- ❖ All small farmers and majority of large (84.41%) and medium (66.67%) of respondents stored tobacco in their own storage place.
- ❖ Chilli was not stored by cent per cent of the marginal farmers, followed by medium farmers (41.67%) and large farmers (10.22%). Across the category of farmers, 85.50 per cent of farmers have their own storage facility for chilli and 83.00 per cent for tobacco.

(d) Cost of storage

- ❖ The large farmers, who have their own storage facility, had highest average cost of storage of Rs.306.08, followed by medium farmers (Rs.95.62) in the case of tobacco. The overall average cost of storage was highest in large category of farmers (Rs.261.74), followed by medium farmers category (Rs.63.75). The marginal and small farmer did not incur any cost on storage of tobacco.
- ❖ The overall cost of chilli storage was found to be Rs.68.07/quintal, which was higher in the case of storage using own facility as compared to hiring the storage facility from private enterprises.

(e) Processing status of respondents

- ❖ All the marginal, small, medium and large farmers followed cent per cent of cleaning process including jardi, whereas none of the farmers followed drying and sorting processes in tobacco and 16.67 per cent of medium farmers and 6.97 per cent of large farmers had not done processing for the tobacco crop.
- ❖ None of the marginal, small and medium farmers followed drying and sorting process in chilli, whereas small and medium farmers followed cent per cent of cleaning, followed by large farmers (91.11%). Drying of chilli (7.78%) and sorting (1.11%), eventhough done by large farmers, the magnitude is very poor.

(f) Cost of processing of tobacco and chilli by the respondents

- ❖ Marginal farmers spent the highest amount (Rs.1950/qtl) as cleaning expenses in tobacco, followed by medium farmers (Rs.1115/ qtl). The overall cost was Rs.741/ qtl. The overall cost was found to be Rs.685/ qtl.
- ❖ Marginal and small farmers have not spent any amount for cleaning but medium and large farmers had spent Rs.18/ qtl and Rs.9/ qtl respectively with respect to chilli. Only large farmers have spent the amount for drying (Rs.24/ qtl) and sorting (Rs.156/ qtl) processes. The overall cost was Rs. 12/ qtl of chilli processing.

(g) Packaging of tobacco and chilli takenup by the respondents

- ❖ Medium farmers incurred the highest cost on packaging (Rs.540/ qtl), followed by large farmers (Rs.419/ qtl), marginal farmers (Rs.221/ qtl) and the lowest cost of packaging of tobacco was found in the case of small farmers (Rs.130/ qtl). Labour cost was found to be higher than the cost of gunny bags as the items of packaging process in all the cases.

- In the case of chilli, as the size of the land holdings increased, the cost of packaging per kg of chilli also increased; Large farmers incurred the highest packaging cost (Rs.10.86/ qtl), followed by medium farmers (Rs.1210/ qtl) and small farmers (Rs.225/ qtl), whereas the marginal farmers did not incur any cost on packaging, as the quantity of chilli produced was very less and they marketed their chilli produce as it is.

(h) Place of marketing of tobacco and chilli by the respondents

- Majority of the tobacco farmers marketed tobacco in their respective villages. Hardly 16.67 per cent of medium farmers and 0.54 per cent of large farmers marketed tobacco in town. Only 0.54 per cent of large farmers marketed their produce in taluk head quarters.

- Majority of the farmers marketed their chilli in town (small farmers-100%, medium farmers-58.33% and large farmers-59.14%). Similarly 27.96 per cent of large farmers and 16.67 per cent of medium farmers also sold their chilli in APMCs. Only 8.33 per cent of medium farmers and 1.08 per cent of large farmers marketed in district head quarters. And hardly 8.33 per cent of medium farmers and 1.61 per cent of large farmers marketed their produce to processor.

(i) Time of marketing of tobacco and chilli by the respondents

- Cent per cent of the marginal and small farmers sold tobacco immediately after harvest, whereas, 25.00 and 42.47 per cent of the medium and large farmers sold tobacco immediately after harvest. Similar trend was observed with respect to time and waiting period to marketing of the chilli by the farmer-respondents. Since the withholding capacity of the marginal and small farmers is less, most of them sold both tobacco and chilli immediately after harvest.

- About 30 per cent of the farmers revealed that, absence of storage facility in the villages was the reason for immediate sales, lack of

withholding capacity (23.81%), repayment of old debt (16.67%), small quantity of produce (11.90%), loans from trader (5.95%) and previous agreements (1.19%) as the other reasons for immediate sale of tobacco.

- Majority (41.33%) of farmers revealed that absence of storage facility as the main reason for immediate sale of chilli. Next in the list of reasons was repayment of old debt (15.33%), followed by small quantity of produce (12.67%), loans from trader (10.67%), lack of withholding capacity (9.33%) and previous agreements (1.33%).
- All the marginal farmers revealed that absence of storage facility as the major reason for immediate sale of tobacco. Small quantity of the produce was major reason for immediate sale as opined by small farmers. In the case of medium farmers, absence of storage facility, small quantity of produce and lack of withholding capacity (33.33% each) were the major reasons for immediate sale of tobacco. Among the large farmers who sold tobacco immediately harvest, 30.38 per cent of them responded that absence of storage facility as the major reason, followed by lack of withholding capacity (24.05%), repayment of old debt (17.72%), small quantity of produce (10.13%), loans from trader (6.33%) and previous agreements (1.27%).
- All the marginal farmers revealed that loans from trader as the major reason for immediate sale of chilli, as these farmers have borrowed funds from traders in APMCs. Repayment of old debt was major reason for immediate sale in the case of small farmers. In the case of medium farmers, absence of storage facility (37.50%), repayment of old debt (25%), small quantity of produce (12.50%) and lack of withholding capacity (12.50%) were the major reasons for immediate sale of chilli as envisaged by the farmer-respondents. Absence of storage facility was the reason for immediate sales of large farmers (42.14%), followed by repayment of old debt (14.29%), small

quantity of produce (12.86%), loans from trader (10.71%), lack of withholding capacity (9.29%) and previous agreements (1.43%).

(j) Primary market channel followed by the farmer-respondents

- ❖ All the marginal and small farmers, 66.67 per cent of medium farmers and 60.75 per cent of large farmers sold tobacco to middleman/commission agent. Some of the medium (25.00%) and large (37.10%) farmers sold to big farmers in their villages. Hardly 8.33 per cent of the medium farmers and 2.15 per cent of the large farmers sold tobacco to processor. None of the farmers had sold their produce either to the wholesaler or to others.
- ❖ Majority of the farmers (61.50%) sold their produce to middleman / commission agent, followed by processor (27.50%), big farmer in the village (4.50%), others (3.50%) and wholesaler (3%).

(k) Sources of market information to the farmer-respondents

- ❖ All the marginal and small farmers were dependent on the information provided by the village trader with respect to tobacco. Majority of medium farmers also approached by village traders only (75%), followed by information by relatives/friends (16.67%) and on farm sale (8.33%). As high as 94.09 per cent of the large farmers depended upon village trade as their source of information, followed by information by relatives/friends (5.38%) and information by newspaper/radio/TV. Overall, 93.00 per cent of the farmers depended on village trader as the source of information, followed by information by relatives/friends (5.38%) and information by newspaper / radio / TV (0.54%).
- ❖ With respect to chilli, majority of the farmers groups depended upon the information provided by the newspaper/radio/TV (83.33% in case of medium farmers and 83.87% in case of large farmers) for sale of chilli. All the marginal farmers were depended upon information

provided by relatives/friends and all the small farmers were depended upon information provided by villager trader for sale of their produce.

(l) Services of middlemen required by the farmer-respondents

- ❖ All the marginal and small and 75 per cent of medium farmers and 92.47 per cent of large farmers opined that they need the services of the middlemen in marketing tobacco. Hardly 25.00 per cent of the medium and 7.53 per cent of the large farmers responded that they do not need the services of the middlemen.
- ❖ Majority of the farmers group (100.00% of marginal, 91.67% of medium and 91.40% of large farmers) responded that they do not need the services of the middlemen in marketing chilli. All the small farmers, 8.33 per cent of the medium farmers and 8.60 per cent of the large farmers expressed positively about the necessity of the services of the middlemen.
- ❖ As much as 63.93 per cent of the farmers responded that because they don't have any alternative, they need the services of the middlemen and 30.05 per cent of farmers expressed easy disposal as the reason.
- ❖ In case of tobacco crop, all the small and marginal farmers and majority of medium (66.67%) and large farmers (63.37%) revealed that they don't have alternative hence they need the services of the middlemen.

(m) Opinion regarding method of price determination

- ❖ All marginal and small farmers responded that colour and quality were the quality parameters for the price determination in tobacco. Majority of the medium farmers (66.67%) and large farmers (50.54%) responded that quality was the main quality parameter for price determination in case of tobacco crop.
- ❖ Auction in case of marginal farmers (100.00%) and colour in case of small farmers (100.00%) were the main methods for price

determination of chilli. But majority of medium (50.00%) and large farmers (69.35%) responded that auction was the main method of price determination of their produce (chilli).

(n) Sample taken during marketing of tobacco and chilli

- ❖ All marginal and small farmers revealed that 2kg and 1kg of tobacco samples were taken by traders, respectively. Majority of medium (91.67%) and large (74.73%) farmers responded that traders took 1kg of the sample, followed by 2kg (8.33% of medium and 25.27% of large farmers).
- ❖ All marginal, small and medium farmers and 97.85 per cent of large farmers responded that traders have has not taken any sample of chilli.

(o) Mode of payment by the tobacco and chilli purchasers

- ❖ All the marginal farmers and all small farmers received their payments on spot and in few weeks time, respectively with respect to tobacco. But majority of medium and large farmers received their payments in few months time (41.67% and 53.76%), followed by spot payment (33.33% and 27.96%) and in few weeks time (25% and 18.28%).
- ❖ All the marginal and small farmers received their payments on the spot with respect to chilli. Majority of medium and large farmers received their payments on the spot (66.67% and 66.13%), followed by in few weeks time (25.00% and 31.18%) and hardly in few months time (8.33% and 2.69%) in that order.

(p) Method of payment by the tobacco and chilli purchasers

- ❖ In the case of tobacco, as much as 48.50 per cent of the respondents received their payments by cash, 48 per cent by cheque and hardly 3.50 per cent of the respondents received the payments by directly crediting to their bank accounts.

- ❖ With respect to chilli, 37 per cent of the farmers received their payments by cash, 59 per cent via cheque and hardly 4 per cent by crediting to their bank accounts. In the village Examba, equal number of the respondents received their sales proceeds by cash and bh cheque for tobacco, whereas, the proportion is 85:15 in the case of their chilli.

7.05 SWOT ANALYSIS

In this section, the results of opinions of the farmer-respondents with respect to the regulation of markets, the advantages and disadvantages of the present marketing system and their opinion regarding the facilities demanded by them for both tobacco and chilli are presented. Further, the same opinions of the respondents were subjected to SWOT analysis.

Opinion of the respondents regarding the advantages in the existing marketing system

- ⇒ In the case of tobacco, major advantages the farmers see are easy disposal, no deceit by middlemen, cash to meet immediate needs and repayment of previous loans.
- ⇒ In the case of chilli, major advantages existing in the present marketing system quoted by the farmers were easy disposal, immediate cash, cash to meet immediate needs (80.50%) and reasonable price.

Opinion of the respondents regarding the disadvantages in the existing marketing system

- ⇒ Regarding tobacco, long distance to the market and no storage, transportation and loan facilities available were the major hurdles in the existing tobacco marketing system. Unscientific price mechanism, non existence of regulated market for tobacco, no alternative and non remunerative prices were the other major disadvantages existing in the present tobacco marketing system.

⇒ Regarding chilli, hardly half of the respondents expressed that there is delay in payment as a constraint existing in the present marketing system of chilli. Majority of the farmer-respondents did not agree to the other listed disadvantages as the hindrances in chilli marketing.

Opinion of the respondents regarding their willingness for regulation of market and to sell in regulated markets

- In the case of tobacco, 98 per cent of the sample-farmers responded that regulation of markets was required and 96 per cent of the farmers were willing to sell in the regulated markets.
- With respect to chilli, 91.50 per cent of the farmers responded that regulation of markets was required and 92 per cent of the farmers were willing to sell in the regulated markets.

Opinion of the respondents regarding the facilities required in the regulated markets

- The facilities required in the markets for tobacco were no deceit by the middlemen, immediate cash, correct weights and measures, transportation and storage facilities, no commission from the sellers and less marketing cost.
- The facilities required in the markets for chilli were provision of transportation and storage facilities, correct weights and measures, no commission from the sellers and immediate cash payments.

SWOT analysis with respect to tobacco marketing

1. Easy disposal, No deceit by middlemen, Cash to meet immediate needs, Repayment of previous loans, Immediate payments and Not a forced sale were the Strengths;
2. Incorrect weights and measures, High marketing costs, Commission taken from sellers, Delay in payment, Drawing lot of sample, Deducting in the name of donations and Unscientific method of pricing were the Weaknesses;

3. Regulation of markets is required and Willingness to sell in regulated markets were the Opportunities; and

4. Access to markets is not easy, Not getting reasonable price, Lack of market information, Non- existence of regulated markets, Long distance to sell, No storage, transportation and loan facilities and No alternatives were the Threats.

SWOT analysis with respect to chilli marketing

1. Easy disposal, Immediate cash payment, Cash to meet immediate needs, Reasonable price, Repayment of previous loans, Less marketing cost, Not a forced sale, Correct weights and measures, Less sample taken and Remunerative price were the Strengths present in the existing chilli marketing system;

2. Delay in payments was the only Weakness identified in chilli marketing through regulated markets; and

3. Easy access to market, Market information is available, No donations, Scientific pricing, Presence of regulated markets, Short distance to travel for selling, Regulation of markets is required and Willingness to sell in regulated markets were the Opportunities identified in chilli marketing.

4. The strengths, weaknesses, opportunities and threats present in the existing marketing system for both in tobacco and chilli, as listed above were identified. Care must be taken to improve the strengths, overcome the weaknesses by the farmer-respondents as well as the policy makers, apart from addressing the opportunities and threats.

7.06 CONCLUSIONS

(i) Present agricultural marketing system lacks in proper warehousing, grading and standardization, transport facilities, market regulation, market information and intelligence and proper credit facilities. There is an urgent need to address these issues both at micro (individual

farmer) level and macro (national) level to provide better marketing environment to agricultural commodities. Crop specific and region specific studies are needed to improve overall marketing system in the country.

(ii) The basic facilities needed to garner the best advantages of agricultural marketing are, adequate storage, cheap transport, market information and intelligence etc., which are still at their primitive stages.

(iii) There is a need to bring uniform marketing system which is free from all evils of marketing to liberate the farmers from the shackles of exploitation and achieve orderly marketing environment.

(iv) Important measures taken up by Government of India to improve agricultural marketing are marketing surveys, grading and standardization, organization of regulated markets, provision of warehousing facilities, dissemination of market information, intervention of Directorate of Marketing and Inspection, government purchases and fixation of support prices. These measures are to be enforced strictly to all the agricultural commodities of the region.

(v) An ideal marketing system is the one which maximizes the long run welfare of the society. It must allocate the agricultural products in time, space and form to the intermediaries and consumers in such proportions and at such prices as to ensure that no other allocation would make consumers better off.

(vi) Farmers store chilli until they get remunerative price, while tobacco was stored tobacco only for 3 to 4 months, expecting high price and no purchaser comes to village. A clear distinction in waiting behaviour in marketing of both the produce can be observed here. Farmers had capacity to wait for a better chilli price in the market which they come to know through the APMCs. But farmers usually depend upon the private traders who visit their villages and are forced

to sell tobacco at the price and condition decided by those traders. Thus farmers will be simply at the receiving end as far as the price fixation for tobacco is concerned.

(vii) By and large, the farmers in the study area have their own storage facility for chilli and tobacco. Average cost of storage was higher in tobacco than chilli. Moreover, cost of storage was higher in the case of storage using own facility as compared to hiring the storage facility from private enterprises. But, all farmers may not be having capacity to have their own storage facilities. Under such situations cooperative actions on part of the farmers to have storage facilities would be the best alternative. Construction of Rural godowns under "Grameena Bhandara Yojana" would be the best initiative which the farmers of the study area can think of to come out of the problem.

(viii) The cleaning cost was more for tobacco as compared to chilli in the study area. Similar trend was observed in packing cost as well. It was observed that the tobacco marketing is still unorganized and hence the private purchasers exploit the producers to insist them to unnecessary cleaning several times and unwanted packing before purchasing the product, which will lead to escalation of cleaning and packing costs. On the other hand, the farmers bring the chilli to the regulated market after elementary cleaning and display the product for sale through tender system. The purchasers quote the prices based on the quality of the product. Thus, unnecessary cleaning cost was avoided in chilli. The responsibility of packing is with the purchaser after the product is sold to them. This strengthens the point that regulation of tobacco marketing would lead to reduction of cleaning and packing costs.

(ix) It was revealed from the study that tobacco farmers marketed tobacco either in their respective villages or at the most in the near by town. The orderly marketing of the produce is totally absent in case of tobacco. Hence farmers are being exploited by the intermediaries

from time immemorial and they are at the mercy of the unscrupulous proceedings of tobacco market. On the other hand, chilli farmers in the study area mostly sold their produce in the nearby regulated market and harnessed the benefits of orderly marketing. This sort of comparative analysis leads to the situation that there is an urgent need to bring tobacco crop also under market regulation.

(x) Cent per cent of the marginal and small farmers sold tobacco immediately after harvest, whereas, 25.00 and 42.47 per cent of the medium and large farmers sold tobacco immediately after harvest. Similar trend was observed with respect to time and waiting period to marketing of the chilli by the farmer-respondents. Since the withholding capacity of the marginal and small farmers is less, most of them sold both tobacco and chilli immediately after harvest.

(xi) Absence of storage facility in the villages was the main reason for immediate sales, while lack of withholding capacity, repayment of old debt, small quantity of produce, loans from trader and previous agreements were the other reasons for immediate sale of tobacco. Majority of chilli farmers revealed that absence of storage facility as the main reason for immediate sale of chilli. The other reasons for immediate sale were repayment of old debt, small quantity of produce, loans from trader, lack of withholding capacity and previous agreements.

(xii) Village traders were the main source of market information for tobacco farmers. There is possibility of high degree of exploitation by the village traders quoting the market information in their favour, misleading the farmers. Such a situation does not exist in chilli, as majority of the farmers depend on news papers, radio or TV for market information, for selling their produce. Since there are no exogenous factors in chilli marketing, the exploitation is minimum in chilli trade.

(xiii) Almost every farmer-respondent opined that, they need the services of middlemen in marketing their tobacco, whereas, the same respondents expressed that they do not need the services on middlemen while selling chilli. This clearly shows the domination of middlemen in tobacco market arena in the study area. Hence, to relieve the farmers from the clutches of middlemen and to avoid unlawful exploitation, there is an urgent need to bring regulation in the marketing of tobacco also.

(xiv) The farmer-respondents revealed that, the traders take samples ranging from 1 to 2 kgs of tobacco as samples. There are no proper storage, transportation and loan facilities to the farmers. Further, the farmers expressed that, they have to travel long distances for marketing tobacco. Unscientific pricing mechanism, non existence of regulated markets, delay in payments are also the problems encountered while selling tobacco by the farmers. Such bottlenecks do not exist in chilli marketing. Further, almost all the farmers are willing to sell tobacco in regulated markets, if they are established for tobacco. The respondents expressed that, they need immediate cash, correct weights and measures, proper and sufficient transport and storage facilities and less marketing cost. All these are possible if and only if tobacco marketing is also brought under regulation.

(xv) Overall, it can be concluded that, tobacco marketing is on cross roads. There are lot of drawbacks in tobacco marketing which are revealed by SWOT analysis. Chilli marketing as a comparison has given ample evidences that marketing of agricultural commodities through regulated markets would certainly help the farmers. The lessons from this study can be very well taken to include tobacco as a notified commodity to remove all the evils in the marketing of tobacco and protect the interests of the farmer-producers.

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Marketing of Chillies and Tobacco: A Comparative Study of Regulated and Unregulated Markets in Nippani Region of Karnataka

Declaration: I am collecting this information as part of my doctoral study. The study tries to understand the difficulties of Tobacco and Chilly marketing in Nippani region. In the ultimate analysis the study would come out with possible solutions for the betterment of such marketing practices. I declare that I will keep the information given by the respondent confidential and I will use the information for the purpose of research alone. I thank in advance all the respondents for sparing their valuable time for my sake.

Household Schedule

I. Identification Particulars

Name of the Village: Taluk:

District:

II. Household Information

2.1 Name of the Farmer:

2.2 Religion:

(Hindu-1, Muslim-2, Christian-3, Others-4)

2.3 Social Group:

(SC-1, ST-2, OBC-3, Others-4)

2.4 How is your Household Categorised? *(BPL-1 APL-2)Any Other (Antyoodaya)?*

2.5 Type of House:

(Hut-1, Kutcha-2, Semi-Pucca-3, Pucca-4)

2.6 Education Status of the Household:

Education	No of Persons
Illiterate 1	
Literate 2	
Primary 3	
SSLC 4	
PUC 5	
Degree & above 6	
Technical 7	
Others (specify) 8	

2.7 Family Size:

Sex	Total	Adults (>14 Years)	Children (<14Years)
1)Male			
2)Female			

III. Economic Information

3.1 Occupation and Income of the family:

Type	Occupation	Income (Rs/Year)
Main		
Subsidiary		

3.2 Land Holdings (in Acres)

3.2.1. Operating Land

Type of Land	Total Area In acres	Irrigated Area					
		Bore well	Well	Pond	Stream	Canal	Other (Specify)
a) Own land							
b) Leased-in land							
c) Leased-out land							
d) Total operated land							

3.3.2 Any Fallow Land: In acres

3.3 Crops Grown during the year (2009-10)

Season/Crops	Area (Acre)	Total Production	Total Value of the Produce (Rs) At the time of Marketing
Kharif			
Sugarcane			
Chilly			
Jawar			
Soyabean			
Groundnut			
Maize			
Others (Specify)			
Rabi			
Tobacco			
Pulses			
Maize			
Wheat			
Others (specify)			
Summer			
Groundnut			
Vegetables			
Others (Specify)			

3.4 Livestock Holdings (Number of Live stocks)						
Bullocks	Buffalo	Cow	Calf	Goat	Sheep	Others (Specify)

IV. Marketing Information of Tobacco Farmers

4.1.1 since how many years are you cultivating tobaccos?

4.1.2 where do you sell every year?

4.2 Information of Storage Facility

4.2.1 when did you harvest Tobacco last year (Mention Month): ☐

4.2.2 Did you store tobacco for sale? (Yes-1 No-2) ☐

4.2.3 If yes, for how many months? : ☐

4.2.4 Reasons for storing the tobacco: ☐

Expecting higher price-1
Didn't get remunerative price-2
No purchaser comes to village-3
No Transport facility-4
Others-5

4.2.5 Where did you store the Tobacco? ☐
(Own Facility-1 Private Hired-2 Govt. Storage-3 Others-4)

4.2.6 Total cost of storage:

Cost	Amount (Rs)
Labour cost	
Other cost (specify)	

4.3 Information on processing the tobacco

4.3.1 Did you process the tobacco before selling? (Yes-1 No-2)

4.3.2 What kind of processing operations did you undertake? ☐

Cleaning-1
Further Processing into jerda-2 (Chalki)
Jerda into Jerdi-3
Sorting-4
Others (Specify)-5

4.3.3 Total cost of Processing:

Operations	Labour cost (Rs)	Other Cost (Rs)	Total
Cleaning-1			
Further Processing into jerda-2			
Jerda into Jerdi-3			
Sorting-4			
Others (Specify)-5			

Information on Packing

Did you pack your tobacco before selling? (Yes-1 No-2) ☐

Total cost of packing:

Particulars	Amount (Rs)
Labour cost	
Other cost (specify)	

4.4 Transportation

4.4.1 Did you transport your tobacco for selling? (Yes-1 No-2) ☐

4.4.2 Did you incur any cost on transportation? (Yes-1 No-2) ☐

4.4.3 If yes, mention the amount:

4.4.4 Mode of Transportation: ☐

Bullock cart-1
Tractor-2
Truck-3
Tempo-4
Others-5

4.5 Marketing of Tobacco

4.5.1 Where did you sell the tobacco you had grown? ☐

Village-1 Town-2 Taluk headquarter-3 District headquarter-4 Regulated/APMC market-5 Others-6
On farm selling

4.5.2 To whom did you sell your tobacco? ☐

Big farmers in the village-1
Processor/manufacturer-2
Middleman/commission agent-3
Any Other (specify)-4

4.5.3 When did you sell your tobacco? ☐

(Immediately after the harvest-1 Waited for better price-2)

If waited, for how many months/ years

4.5.4 If sold immediately, what are the reasons for such sale? ☐

Repayment of old debt-1
Loans from trader-2
Previous agreements-3
Absence of storage facility-4
Lack of withholding capacity-5
Social ties-6
Small quantity of produce-7
Others-8

4.5.5 How did you sell? ☐

1 On farm sale
commission agent 2
Village trader approaches-3
Information by relatives/friends-4
Information by News papers/radio/TV, etc-5
Others (Specify)-6

4.5.6 Do you need the services of middleman for the sale of the products? (Yes-1 No-2) ☐

4.5.7 If yes, reasons ☐

Easy disposal-1
Higher price-2
Loans from middleman-3
Previous agreements-4
No alternatives-5
Any other (specify)-6

4.5.8 How was the price determined? ☐

Smoking -1
Grading-2
Colour -3
Hata system-4
Negotiation with trader-5
Market information-6
Others (specify)-7

4.5.9 Quantity of Sample taken by the trader (in Kgs): ☐

4.5.10 Does the trader pays price for sample? (Yes-1 No-2) ☐

4.5.11 Mode of Payment ☐

Payment at the time of sowing of tobacco1
Immediately after the sale / Spot payment-2
Few weeks-3
Few Months-4
Year-5
Deducted from previous loan-6

4.5.12 Method of payment: ☐

In kind 1
Cheque-2
Cash-3
Credited to bank account-4
Others (Specify)-5

4.6 Advantages and dis-advantages in Particular marketing

Sl No	Advantages	YES	NO
1	Easy disposal		
2	Immediate Cash Payment		
3	Repayment of previous loan		
4	social tie with trader		
5	Cash to meet household requirements/fairs/etc		
6	No deceit by middlemen		
7	correct weights & Measures		
8	Easy accessibility to market		
9	No commission		
10	Loss marketing cost		
11	Reasonable price		
12	Others (Specify)		

Dis-advantages	YES	NO
Forced sale		
Delay in payment		
Deceit in weight/measures		
Deceit in sample		
Deductions on account of donations		
Non-remunerative price		
Un-scientific price determination		
Lack of market information		
No regulated market		
Long Distance to market		
No storage/Transport/loans facility		
No alternatives		

4.6.1 Do you feel regulated market will help to solve these problems? (Yes-1 No-2) ☐

4.6.2 Are you willing to market your product at regulated market (If you have sold your -Produce at the un-regulated market)? (Yes-1 No-2) ☐

4.6.3 If willing, what facilities do you need?

Immediate Cash Payment	YES	No
Cash to meet household requirements/fairs/etc		
No deceit by middlemen		
correct weights & Measures		
Transport/storage facility		
No commission		
Loss marketing cost		
Any Others (Specify)		

V. Marketing Information of Chilli Farmers

5.1.1 Since how many years are you cultivating chilly? ☐

5.2.1 When did you harvest chilly last year (Mention Month): ☐

5.1.2 Where do you sell chilly every year? ☐

5.2 Information of Storage Facility

5.2.2 Did you store chilly for selling at a later date? (Yes-1 No-2) ☐

5.2.3 If yes, for how many months? : ☐

5.2.4 Reasons for storing the chilly: ☐

Expecting higher price-1
Didn't get remunerative price-2
No purchaser comes to village-3
No Transport facility-4
Others-5

5.2.5 Where did you store chilly?
(Own Facility-1Private Hired-2 Govt. Storage-3 Others-4) ☐

5.2.6 Total cost of storage:

Cost	Amount (Rs)
Labour cost	
Cost of gunny bags)	
Any other (specify)	

5.3 Information on processing the chilly

5.3.1 Did you process chilly before selling? (Yes-1 No-2) ☐

5.3.2 What kind of processing operations did you undertake? ☐

Cleaning-1
Sorting -2
Grading -3
Drying 4
Others (Specify)-5

5.3.3 Total cost of Processing:

Operations	Labour cost (Rs)	Other Cost (Rs)
Cleaning-1		
Drying 2		
Sorting-3		
Others (Specify)-4		

5.4 Information on Packing

5.4.1 Did you pack your chilly before selling? (Yes-1 No-2) ☐

5.4.2 Total cost of packing:

Particulars	Amount (Rs)
Labour cost	
Other cost (specify)	

5.5 Transportation

5.5.1 Did you transport your chilly for the sale? (Yes-1 No-2) ☐

5.5.2 Did you incur any cost of transportation? (Yes-1 No-2) ☐

5.5.3 If yes, mention the amount:

5.5.4 Mode of Transportation: ☐

Bullock cart-1
Tractor-2
Truck-3
Tempo-4
Others-5

5.6 Marketing of chilly

5.6.1 Where did you sell your chilly that you had grown?
Village-1 Town-2 Taluk headquarter-3 District headquarter-4 Regulated/APMC market-5 Others-6

5.6.2 To whom did you sell your chilly? ☐
Big farmers in the village-1
Processor/manufacturer-2
Middleman/commission agent-3
Any Other (specify)-4

5.6.3 When did you sell your chilly? ☐
(Immediately-1 Waited for better price-2)

5.6.4 If sold immediately, what are the reasons for such sale? ☐
Repayment of old debt-1
Loans from trader-2
Previous agreements-3
Absence of storage facility-4
Lack of withholding capacity-5
Social ties-6
Small quantity of produce-7
Others-8

5.6.5 How did you sell? ☐
1 On farm sale?1
Village trader approaches-2
Information by relatives/friends-4
Information by News papers/radio/TV, etc-5
Others (Specify)-6

5.6.6 Do you need the services of middleman for the sale of the products? (Yes-1 No-2) ☐

5.6.7 If yes, reasons ☐

Easy disposal-1
Higher price-2
Loans from middleman-3
Previous agreements-4
No alternatives-5
Any other (specify)-6

5.6.8 How was the price determined? ☐

Quality-1
Colour -2
Sample-3
Hata system-4
Negotiation with trader- 5 Market information-6 Others (specify)-7

5.6.9 Quantity of Sample taken by the trader (in Kgs): ☐

5.6.10 Does the trader pays price for sample? (Yes-1 No-2) ☐

5.6.11 Mode of Payment ☐

Spot payment-1
Few weeks-2
Few Months-3
Year-4
Deducted from previous loan-5

5.6.12 Method of payment: ☐

Cheque-1
Cash-2
Credited to bank account-3
Others (Specify)-4

5.7 Advantages and dis-advantages in Particular marketing

Sl No	Advantages	yes	no
1	Easy disposal		
2	Immediate Cash Payment		
3	Repayment of previous loan		
4	social tie with trader		
5	Cash to meet household requirements/fairs/etc		
6	No deceit by middlemen		
7	Correct weights & Measures		
8	Easy accessibility to market		
9	No commission		
10	Loss marketing cost		
11	Reasonable price		
12	Others (Specify)		

Dis-advantages		
Forced sale		
Delay in payment		
Deceit in weight/measures		
Deceit in sample		
Deductions on account of donations		
Non-remunerative price		
Un-scientific price determination		
Lack of market information		
No regulated market		
Long Distance to market		
No storage/Transport/loans facility		
No alternatives		

5.7.1 Are you willing to market your product at regulated market (If you have sold your -Produce at the un-regulated market)? (Yes-1 No-2) ☐

5.7.2 Do you feel regulated market has helped to solve these problems? (Yes-1 No-2)

5.7.3 If willing, what facilities do you need?

Immediate Cash Payment	Yes	No
Cash to meet household requirements/fairs/etc		
No deceit by middlemen		
Correct weights & Measures		
Transport/storage facility		
No commission		
Loss marketing cost		
Any Others (Specify)		

Your three most important views / suggestions for the improvement of marketing of tobacco

1

2

3

Your three most important views / suggestions for the improvement of marketing of chilly

1

2

3

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